

CITY OF PIPERTON, TENNESSEE
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Directory - Unaudited - - - - - 1

FINANCIAL SECTION

Independent Auditor’s Report - - - - - 2

Management’s Discussion and Analysis - Management’s Comments – Unaudited - - - - - 5

City’s Organizational Chart – Unaudited - - - - - 6

Management’s Discussion and Analysis - - - - - 7

Statement of Net Position- - - - - 14-15

Statement of Activities - - - - - 16

Balance Sheet – Governmental Funds - - - - - 17

Reconciliation Statement of the Balance Sheet of Governmental Funds
to the Statement of Net Position - - - - - 18

Statement of Revenues, Expenditures and Changes in Fund Balance-Govern’t Funds - - - - 19-20

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund to the Statement of Activities - - - - - 21

Statement of Net Position – Proprietary Fund (Water & Sewer) - - - - - 22

Statement of Revenues, Expenses and Changes
In Net Position – Proprietary Fund (Water & Sewer)- - - - - 23-24

Statement of Cash Flows – Proprietary Fund (Water & Sewer)- - - - - 25

Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual – General Fund - - - - - 26-33

Notes to Financial Statement - - - - - 34-48

COMBINING FUND FINANCIAL STATEMENTS

Combining Balance Sheet – Nonmajor Governmental Funds - - - - - 49

Combining Revenues, Expenditures and Change in Fund Balance –
Nonmajor Governmental Funds - - - - - 50

SCHEDULES

Statement of Revenues, Expenditures and Changes In Fund
Balance – Budgetary and Actual – Sanitation Fund ----- 51

Schedule of Revenues, Expenditures and Changes In Fund
Balance – Budgetary and Actual – State Street Aid Fund ----- 52

Schedule of Revenues, Expenditures and Changes In Fund
Balance – Budgetary and Actual – Drug Funds - - - - - 53

Schedule of Property Taxes Receivable ----- 54

Schedule of Expenditures of Federal and State Awards ----- 55

Schedule of Changes in Capital Lease and Service Contract Obligations ----- 56

Net Position of Water-Sewer Fund ----- 57

Revenues, Expenses, and Change in Net Position of Water-Sewer Fund ----- 58-59

Cash Flows of Water-Sewer Fund ----- 60

NONACCOUNTING INFORMATION

Schedule of Effective Insurance Coverage - Unaudited ----- 61

Schedule of Utility Rates in Effect and Number of Customers ----- 62

Internal Control and Compliance Section

Independent Auditor’s Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on Audit of Financial
Performed in Accordance with Government Auditing Standards ----- 63-64

Schedule of Findings and Responses ----- 65

Schedule of Findings - Prior Year ----- 68

INTRODUCTORY SECTION

CITY OF PIPERTON, TENNESSEE
DIRECTORY
YEAR END JUNE 30, 2023
(UNAUDITED)

Henry Coats, Mayor

Mike Binkley, Vice Mayor

William R. Fletcher, Commissioner

David Crislip, Commissioner

Bret Morris, Commissioner

Steve Steinbach, City Manager

Maria George, CMFO

Beverly Holloway, City Recorder

Gerald Lawson, Attorney at Law

Linda Coffman, CPA, Independent Auditor

FINANCIAL SECTION

Linda's Accounting Firm

2

Linda Coffman, CPA, CFE, CGMA
3598 HWY 19 W
Brownsville, TN 38012

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
Piperton, Tennessee

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate, each major fund, and the aggregate remaining fund information of the City of Piperton, Tennessee as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Piperton's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Piperton, Tennessee, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Piperton, Tennessee and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Piperton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Piperton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Piperton's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–14 and 51-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Piperton's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, other reporting required by Governmental Auditing Standards, City's Organization Chart, Schedule of Effective Insurance Coverage, sections but does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements do not cover the other information, and do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 11, 2023, on my consideration of the City of Piperton's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Piperton's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Piperton's internal control over financial reporting and compliance.

Linda's Accounting Firm

B. Coffman (Linda), CPA

Brownsville, Tennessee

December 11, 2023

3725 Highway 196 | Suite B
Piperton, TN 38017

PO Box 328
Collierville, TN 38027-0328



o: 901.853.4830
f: 901.854.8396
www.pipertontn.com

CITY OF PIPERTON, TENNESSEE
CONTENTS OF MANAGEMENT DISCUSSION & ANALYSIS
FY FSICAL YEAR ENDING JUNE 30, 2023

Piperton is a growing exurban community within the Memphis metropolis, whose economy is largely based on, and buoyed by, a blossoming residential development market. As a relatively young community (less than 50 years old), Piperton has relatively few retail commercial businesses; however, given its logistical advantages (three major state highways and Interstate 269), this market dynamic is anticipated to change dramatically over the next five to 10 years. Additionally, and, again, given its logistical advantages within a metropolitan area known globally as a leading distribution center, Piperton is home to AOC Resins' manufacturing and global headquarters and has seen the development of five new industrial distribution facilities exceeding 50,000 square feet over the last five years. Finally, with the recent announcement of Ford's new Blue Oval initiative in nearby Haywood County, Piperton anticipates being a major beneficiary with regard to ancillary support industries and new housing development opportunities.

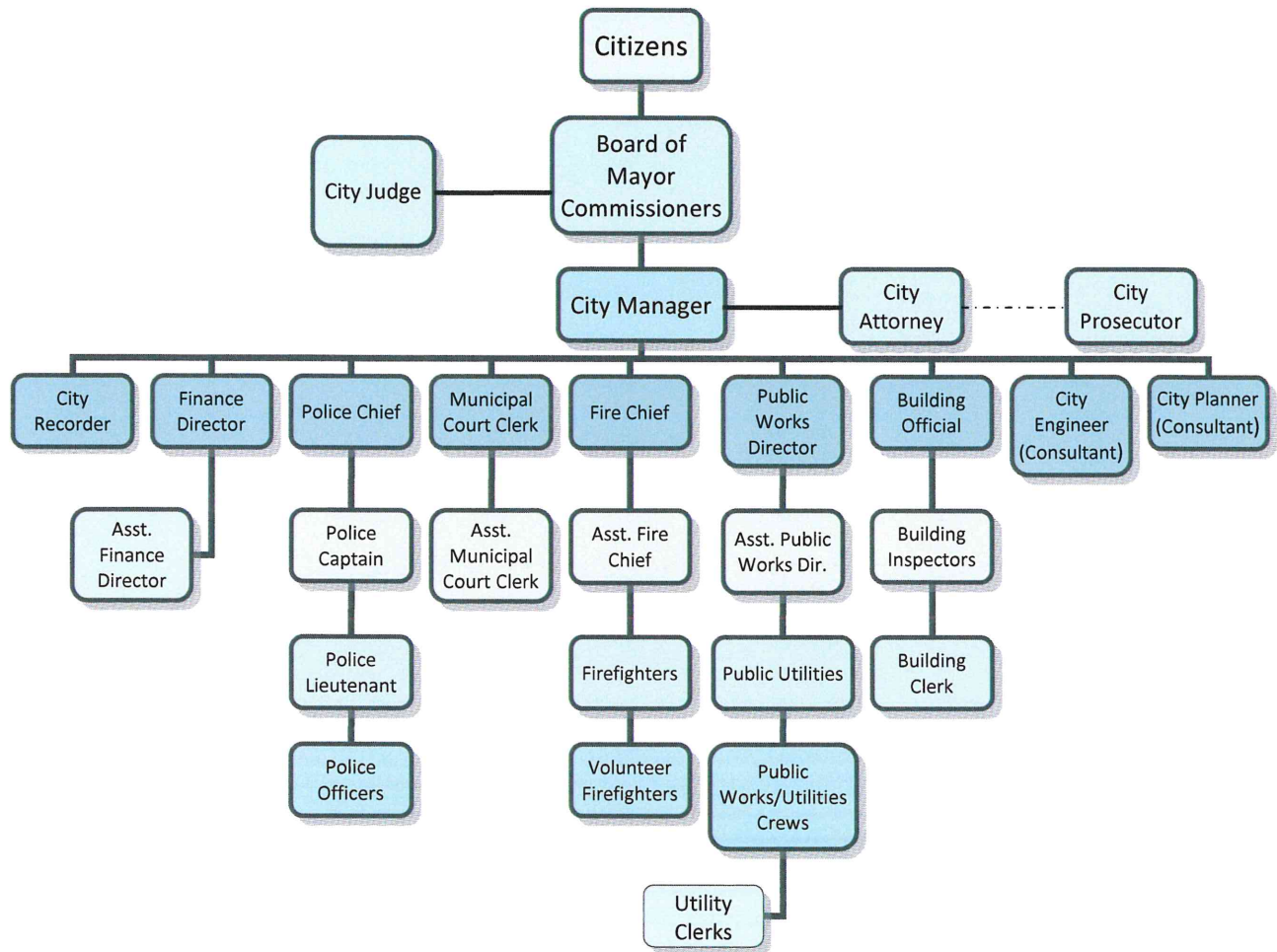
The post-Pandemic economy, characterized by elevated inflation and higher interest rates, has had an impact on Piperton's sales tax receipts that is anticipated to continue into the second half of Fiscal Year (FY) 2024. These macro economic challenges notwithstanding, the city of Piperton's overall financial position continues to exhibit resiliency going into FY 2024. Piperton concluded FY 2023 with no debt and more than five million dollars in cash and cash equivalent instruments within its General and Enterprise Funds.

Like any fast growing community, Piperton faces the challenges of keeping up with the demands and costs associated with rapid urbanization. For example, increasing commercial and residential constituent service demands have resulted in the need for more and highly trained personnel and associated support equipment (i.e. vehicles/machinery, technology infrastructure, etc.); new and replacement utility infrastructure; new municipal facilities; and investment in recreational amenities. Compounding this financial burden moving into the new fiscal year, are the inflationary and supply-chain issues that have emerged in the post Pandemic recovery economy that has resulted in dramatically higher prices for goods and services across the board and lingering labor shortages.

Strategies for managing Piperton's burgeoning growth include, aggressive courting of sales tax producing commercial businesses; maintaining a responsible property tax rate that keeps up with the costs of growth; maintaining sufficient user and service fees to cover the costs of service delivery; frugal financial management and incorporating a zero based budgeting methodology; and recruiting and retaining a dedicated and professional staff.

The Piperton Board of Mayor and Commissioners enjoys unified support from its constituents, as evidenced by the longevity and stability of its elected members. Under its direction, guidance and leadership, the Board will be faced with prioritizing major capital investments that will be needed in the City's physical plants over the next five years. Anticipated major capital investments for FY 2024 include: City Administrative Offices; Waterline Upgrades and design of a Wastewater Treatment Plant.

City of Piperton, Tennessee Organizational Chart



Respectfully submitted,

Steve Steinbach, City Manager

**CITY OF PIPERTON, TENNESSEE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED JUNE 30, 2023**

As management of the City of Piperton, Tennessee (“City”), I offer readers of the City of Piperton’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. This management discussion and analysis (“MD&A”) is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, or conditions. This narrative is intended to provide readers with a broad overview of the City’s finances and is also intended to provide readers with an analysis of the short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted.

Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, identify changes in the financial position, (its ability to address the next and subsequent year challenges), identify material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of this statement should include and evaluate all sections of this report, including the footnotes and the Supplemental Information for better decision making.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s financial statements. The City’s basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements, and
4. Required supplementary information, which is an addition to the basic financial statements.

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed by GASB Statement 34 to present governmental financial statements in a concise “entity-wide” Statement of Net position and Statement of Activities, which provides readers of the financial statements a broad overview of the City’s financial position and results of operation in a manner similar to a private-sector business.

A. The Statement of Net Position presents information on all of the City’s assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position should serve as useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF PIPERTON, TENNESSEE
MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)
FOR YEAR ENDED JUNE 30, 2023

B. The statement of activities presents information about the governments' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that cash flows will result in future fiscal periods (e.g., uncollected taxes). Further, the statement of activities presents various revenues by distinguishing functions of the City into governmental activities that are principally supported by.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Capital assets are used to provide services to citizens, consequently, these capital assets are not available for future spending.

The remaining balance of unrestricted Net Position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported positive balances in Net Position of the Governmental Activities and Business-type Activities.

City's larger portion of Net Position reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment, vehicles, etc.). Significant portion of capital assets are contributed by developers of several subdivisions to governmental and enterprise funds.

GOVERNMENTAL ACTIVITIES

The governmental Activities of the City include General Government, Public Safety (police and fire), Public Works (highways and streets, and Sanitation). Significant resources of governmental activities are financed with taxes collected by the State of Tennessee and by the County as well as revenues earned through fees and services.

General Government includes -- Legislative (Board of Commissioners,) Executive, Financial, Building, and other General Administration. Public Works is made up of the Street Department and General Public Works. Public Safety is comprised of Drug Fund, Police Department, and Fire Department.

BUSINESS-TYPE ACTIVITIES

Business-Type Activities of the City are those that the City charges a fee to customers for usage of services and privileges provided. The Water & Sewer activities are reported in Business-Type activities. The analysis indicates the reason of increase is the increased number of users and increase in residential properties.

City of Piperton is experiencing growth which results increases in demand for public services, resource and ultimately increases capital assets and infrastructure expenditures.

CITY OF PIPERTON, TENNESSEE
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR YEAR ENDED JUNE 2023
SCHEDULE OF NET POSITION

The following selected data from the Net Position is given to assist in analysis and comparison of the City's assets and liabilities for fiscal years of 2022 and 2023.

Governmental Funds Current Assets Increased because of additional investment, higher accounts and property taxes receivable in comparison fiscal year ending June 2023 with 2022. No significant changes in capital assets. Deferred property taxes increase because of increased in property tax roll due to increased single dwelling residential buildings. Increased restricted and unrestricted fund balances are due to increased amount of receivable and investment balances, which resulted increase in Net Assets.

Enterprise Funds Current Assets Increased because of increase cash and investment balances, capital assets increased for additional expenditures for water lines and sewer expansion to meet demands of additional single dwelling residential buildings. Since were no significant fluctuation in total liabilities, the net assets increased. Comparative with percentage of fluctuation are calculated below.

	Governmental Activities		Business-Type Activities		Comparative	
	2023	2022	2023	2022	Amount	Variance %
ASSETS:						
Current Assets	\$ 8,171,479	\$ 6,533,664	\$ 2,724,161	\$ 2,506,248	\$ 1,637,815	125.07%
Capital Assets, net	7,157,815	7,468,241	10,679,901	10,292,334	(310,426)	95.84%
Other Capital Assets	7,175	-	227,500	-	234,675	100.00%
Total Assets	<u>15,336,469</u>	<u>14,001,905</u>	<u>13,631,562</u>	<u>12,798,582</u>	<u>1,562,064</u>	<u>5.83%</u>
LIABILITIES & NET POSIITON						
Liabilities						
Current Liabilities	815,408	378,081	367,623	114,202	437,327	215.67%
Long-Term Liabilities	52,615	62,971	207,314	5,530	(10,356)	83.55%
Total Liabilities	<u>868,023</u>	<u>441,052</u>	<u>574,937</u>	<u>119,732</u>	<u>426,971</u>	<u>76.14%</u>
Deferred Inflows of Resources						
Deferred Property Tax						
Total Deffered	861,828	638,571	-	-	223,257	134.96%
Property Taxes	861,828	638,571	-	-	223,257	134.96%
Net Position						
Net Investment in Capital	7,157,815	7,468,241	10,679,901	10,292,334	(310,426)	-1.75%
NonSpendable	25,460	-	-	-	25,460	100.00%
Restricted	482,525	429,939	-	-	52,586	12.23%
Unrestricted	5,490,818	5,024,102	2,376,724	2,386,516	466,716	6.30%
Total Net Position	<u>13,156,618</u>	<u>12,922,282</u>	<u>13,056,625</u>	<u>12,678,850</u>	<u>234,336</u>	<u>0.92%</u>
Total Net Position						
& Liabilities	<u>\$ 14,886,469</u>	<u>\$ 14,001,905</u>	<u>\$ 13,631,562</u>	<u>\$ 12,798,582</u>	<u>\$ 884,564</u>	<u>3.30%</u>

CITY OF PIPERTON, TENNESSEE
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR YEAR ENDED JUNE 2023
SCHEDULE OF NET POSITION

	Governmental Funds		Business-Type Fund		Comparative	
	2023	2022	2023	2022	Amount	Variance %
Program Revenues						
Charges for Services	\$ 688,138	\$ 775,845	\$ 1,464,089	\$ 1,417,407	\$ 2,152,227	88.70%
Operating Grants & Contributions	107,885	142,091	-	-	107,885	75.93%
Capital Grants & Contributions	349,339	331,364	-	-	349,339	105.42%
General Revenues						
Property Taxes	638,481	587,874	-	-	638,481	108.61%
Intergovernmental	498,030	473,983	-	-	498,030	105.07%
Sales & Beer Taxes	2,456,789	2,394,283	-	-	2,456,789	102.61%
Unrestricted Earned Interest	117,860	19,449	44,511	9,300	162,371	606.00%
Misc & Others	38,755	9,145	19,874	-	58,629	423.78%
Total Revenues	4,895,277	4,734,034	1,528,474	1,426,707	6,423,751	103.41%
					-	
General Government	1,490,275	1,156,753	-	-	1,490,275	128.83%
Public Safety	1,545,200	1,359,898	-	-	1,545,200	113.63%
Highways & Streets	1,228,997	1,276,106	-	-	1,228,997	96.31%
Water & Sewer	-	-	1,155,761	1,172,776	1,155,761	98.55%
	4,264,472	3,792,757	1,155,761	1,172,776	5,420,233	112.44%
Change in Net Position	630,805	941,277	372,713	253,931	1,003,518	67.02%
Net Position-Beginning	12,922,282	11,922,982	12,675,063	12,390,337	25,597,345	108.38%
Prior Period Adjustment						
See Note (12)	53,531	58,023	8,849	30,795	62,380	92.26%
Net Position-Beginning	12,975,813	11,981,005	12,683,912	12,421,132	25,659,725	108.30%
Net Position-Ending	\$ 13,606,618	\$ 12,922,282	\$ 13,056,625	\$ 12,675,063	\$ 26,663,243	105.30%

Changes in Revenues: Comparing earnings of fiscal year ending 2023 with 2022: 1) Charges for Services decreased because City's inability recruit qualified police officers to monitor streets safety and regulations. 2) Operating Grants and Capital Contributions reduced as result of phasing out of stimulus payment for COVID related assistance. 3) Property Taxes increased because the single dwelling residential increased. 4) Earned Interest increase because of higher interest rate.

Changes in Expenses: Governmental expenses increase in General Government because: 1) Expenditures for capital improvements for future City of Piperton's administrative office building. 2) Public Safety increase due to additional vehicles purchased for police, as well as safety equipment for fire department. 3) Highways and Streets were significantly less due to less streets stripping, repairing and patching in comparing fiscal year ending June 2023 with 2022.

Changes in Expenses: Governmental expenses increase in General Government because: 1) Expenditures for capital improvements for future City of Piperton's administrative office building. 2) Public Safety increase due to additional vehicles purchased for police, as well as safety equipment for fire department. 3) Highways and Streets were significantly less due to less streets stripping, repairing and patching in comparing fiscal year ending June 2023 with 2022.

2. FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over revenues that have been segregated for specific activities or objectives. The City used fund accounting to ensure and demonstrated compliance with finance-related legal requirement. All funds of the City are divided into two categories: governmental fund and proprietary funds. These funds are considered major funds as required by the Governmental Accounting Standard Board Number 34 (GASB 34).

Governmental Funds – Governmental funds are used to account for most of the City's basic services, reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the remaining balances are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services the City provides. Governmental fund information provides information to determine the financial revenues that can be spent in the near future to finance the City's operations and programs.

A. Because the focus of governmental funds is more limited than that of the government-wide financial statements, the reader needs to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

B. **Proprietary Funds** - Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for the Water and Sewer Department, which is a major fund of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

C. **Governmental Budgetary Highlights** -- The adopted governmental funds revenues budgets for 2023 was \$4,804,976.00 and the actual revenues were \$4,546,087.00. A detailed comparison of revenue may be found in the comparison of original budget, final budget and actual amounts in the financial statements. Capital Assets of the City represents investment in capital assets which includes land, buildings, machinery, equipment, distribution plants, wastewater plants and infrastructure etc.

CITY OF PIPERTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS NET OF DEPRECIATION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	879,929	879,929	20,640	20,640	900,569	900,569
Construction in Progress	59,468	59,468	2,760,448	2,305,666	2,819,916	2,365,134
Building & Improvements	1,788,800	1,788,800	10,000	10,000	1,798,800	1,798,800
Roadways Improvements	4,572,550	4,572,550	-	-	4,572,550	4,572,550
Infrastructure	1,560,587	1,522,909	-	-	1,560,587	1,522,909
Distribution System	-	-	5,826,148	5,790,476	5,826,148	5,790,476
Sewer System	-	-	4,462,736	4,462,736	4,462,736	4,462,736
Computer & Accessories	59,676	59,676	17,975	17,975	77,651	77,651
Vehicles & Equipment	2,130,524	2,014,849	254,240	143,284	2,384,764	2,158,133
Total Assets	11,051,534	10,898,181	13,352,187	12,750,777	24,403,721	23,648,958
Less: Accumulated						
Depreciation	(3,893,719)	(3,429,940)	(2,672,286)	(2,458,443)	(6,566,005)	(5,888,383)
Total Capital Assets (Net)	\$ 7,157,815	\$ 7,468,241	\$ 10,679,901	\$ 10,292,334	\$ 17,837,716	\$ 17,760,575

CAPITAL ASSETS NET OF DEPRECIATION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	Amount	Variance%
Land	879,929	879,929	20,640	20,640	\$ -	0.00%
Construction in Progress	59,468	59,468	2,760,448	2,305,666	-	0.00%
Building & Improvements	1,788,800	1,788,800	10,000	10,000	-	100.00%
Roadways Improvements	4,572,550	4,572,550	-	-	-	100.00%
Infrastructure	1,560,587	1,507,814	-	-	52,773	103.50%
Distribution System	-	-	5,826,148	5,790,476	35,672	0.62%
Sewer System	-	-	4,462,736	4,462,736	-	0.00%
Computer & Accessories	59,676	50,186	17,975	17,975	9,490	118.91%
Vehicles & Equipment	2,130,524	1,850,863	254,240	143,284	279,661	115.11%
Total Assets	11,051,534	10,709,610	13,352,187	12,750,777	341,924	103.19%
Less: Accumulated						
Depreciation	(3,893,719)	(2,911,842)	(2,672,286)	(2,458,443)	(981,877)	133.72%
Total Capital Assets (Net)	\$ 7,157,815	\$ 7,797,768	\$ 10,679,901	\$ 10,292,334	\$ (639,953)	91.79%

**CITY OF PIPERTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR YEAR ENDED JUNE 30, 2023**

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is responsible for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 31-43 of this report.

3. SUPPLEMENTARY AND NONACCOUNTING INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The supplementary information includes (Combining Fund Financial Statements and Schedules): Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Change in Fund Balance - Nonmajor Governmental Funds; Schedules include: Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Sanitation, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – State Street Aid, and Revenues, schedule of Revenues, Expenditures and Change in Fund Balance Budget and Actual – Drug Fund, Schedule of Property Taxes Receivable, Schedule of Federal and State Awards, and Schedule of Long-term Debts, the Statement of Net Position Water-Sewer Fund, and Statement of Revenues, Expenses and Change in Net Position of Water-Sewer Fund, and Cash Flows of Water-Sewer Fund. The Non-Accounting Information includes: Effective Insurance Coverage, and Summary of Utility Rates and number of customers of the City of Piperton.

COVID – 19

COVID-19's effect on financial position, operations performance, revenues and expenses has not been significant. Although necessary precautions were taken, and CDC guidelines for pandemic were implemented and practiced, as well as following Federal and State governments policies, directives, and guidelines. Daily operations, functions and duties continued without disruption, with the effort of management and employees to provides public and safety services for residents, businesses and community.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the financial activities of the City of Piperton, Tennessee for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City Recorder's Office; 3725 Highway 196, Suite B, Piperton, TN 38017.

CITY OF PIPERTON, TENNESSE
STATEMENT OF NET POSITION
June 30, 2023

	GOVERNMENT		BUSINESS-TYPE
	ACTIVITIES	ACTIVITIES	
ASSETS			
Current Assets			
Cash & Cash Equivalent	805,491	455,267	1,260,758
Investments	6,127,700	2,059,665	8,187,365
Receivable			
Taxes	834,362	-	834,362
Taxes - Delinquent	5,957	-	5,957
Ad Valorem Taxes	21,509	-	21,509
Accounts	86,381	114,759	201,140
Intergovernmental	239,208	-	239,208
Other Receivable	175	35,700	35,875
Supplies	-	84,006	84,006
Due From Other Funds	25,236	(25,236)	-
Others & Prepaid	25,460	-	25,460
Total Current Assets	8,171,479	2,724,161	10,895,640
Capital Assets			
Land	879,929	20,640	900,569
Construction in Progress	59,468	2,760,448	2,819,916
Buildings & Improvement	1,788,800	10,000	1,798,800
Roadway & Roadway Improvement	4,572,550	-	4,572,550
Infrastructure	1,560,587	-	1,560,587
Distribution System	-	5,826,148	5,826,148
Sewer Lift Station	-	38,000	38,000
Sewer System	-	4,424,736	4,424,736
Compture & Accessories	59,676	17,975	77,651
Vehicles & Equipment	2,130,524	254,240	2,384,764
Less: Accumulated Depreciation	(3,893,719)	(2,672,286)	(6,566,005)
Total Capital Assets, net	7,157,815	10,679,901	17,837,716
Other Capital Assets			
Leased Equipment	7,175	-	7,175
Deferred Inflows-Service Agreeme	-	227,500	227,500
Total Other Capital Assets	7,175	227,500	234,675
Total Assets	\$ 15,336,469	\$ 13,631,562	\$ 28,968,031

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2023

	GOVERNMENT		BUSINESS-TYPE		TOTAL
	ACTIVITIES		ACTIVITIES		
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 335,138		\$ 282,755		\$ 617,893
Payroll Liabilities	73,083		11,675		84,758
Accrued Expenses	1,588		1,743		3,331
Meter Deposit Payable-Customer	-		1,540		1,540
Reimbursements - Payable	402,125		37,410		439,535
Leased Capital Assets Payable	3,088		-		3,088
Service Contract Payable	-		23,400		23,400
Interest Payable	386		9,100		9,486
Total Current Liabilities	815,408		367,623		1,183,031
Long-Term Liabilities					
Accrued Leave	48,914		12,314		61,228
Service Contract Payable	-		167,700		167,700
Lease Capital Assets Payable	3,189		-		3,189
Interest Payable	512		27,300		27,812
Total Long-Term Liabilities	52,615		207,314		259,929
Total Liabilities	868,023		574,937		1,442,960
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	861,828		-		861,828
Total Deferred Inflows of Resources	861,828		-		861,828
NET POSITION					
Net Investment in Capital Assets	7,157,815		10,679,901		17,837,716
NonSpendable	25,460		-		25,460
Drug Fund	28,037		-		28,037
Sanitation	271,140		-		271,140
State Streets & Highways	183,348		-		183,348
Unrestricted	5,940,818		2,376,724		8,317,542
Total Net Position	13,606,618		13,056,625		26,663,243
Total Liabilities, Deferred					
Inflow of Resources, and					
Net Position	\$ 15,336,469		\$ 13,631,562		\$ 28,968,031

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS & PROGRAMS	PROGRAM REVENUES					NET REVENUES (EXPENSES) AND CHANGES IN Net Position		TOTAL																																																																																																																			
	EXPENSES	SERVICES	OPERATING		ACTIVITIES	ACTIVITIES																																																																																																																					
			CHARGES FOR CONTRIBUTIONS	GRANTS & CONTRIBUTION					CAPITAL GRANTS & OVERNMENTAUSINESS-TYPE																																																																																																																		
PRIMARY GOVERNMENT																																																																																																																											
GOVERNMENTAL ACTIVITIES																																																																																																																											
General	1,490,274	109,393	-	-	294,636	(1,086,245)	-	(1,086,245)																																																																																																																			
Public Safety	1,545,200	311,627	24,874	-	54,703	(1,153,996)	-	(1,153,996)																																																																																																																			
Public Works	816,364	267,117	-	-	-	(549,247)	-	(549,247)																																																																																																																			
Highways & Streets	412,633	-	83,011	-	-	(329,622)	-	(329,622)																																																																																																																			
Total Governmental	4,264,471	688,137	107,885	-	349,339	(3,119,110)	-	(3,119,110)																																																																																																																			
BUSINESS-TYPE ACTIVITIES																																																																																																																											
Water	731,802	925,743	-	-	-	-	193,941	193,941																																																																																																																			
Sewer	423,959	538,346	-	-	-	-	114,387	114,387																																																																																																																			
Miscellaneous	-	-	-	-	-	-	-	-																																																																																																																			
TOTAL BUSINESS-TY	1,155,761	1,464,089	-	-	-	-	308,328	308,328																																																																																																																			
TOTAL PRIMARY GOVERNMENT	\$ 5,420,232	\$2,152,226	\$ 107,885	\$ 349,339	\$ (3,119,110)	\$ 308,328	\$ (2,810,782)																																																																																																																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">Property Taxes</td> <td style="text-align: right;">638,481</td> <td></td> <td style="text-align: right;">638,481</td> </tr> <tr> <td></td> <td style="text-align: right;">Local Sales Taxes</td> <td style="text-align: right;">2,436,091</td> <td></td> <td style="text-align: right;">2,436,091</td> </tr> <tr> <td></td> <td style="text-align: right;">Beer Taxes</td> <td style="text-align: right;">20,698</td> <td></td> <td style="text-align: right;">20,698</td> </tr> <tr> <td></td> <td style="text-align: right;">TVA - In lieu of Taxes</td> <td style="text-align: right;">27,209</td> <td></td> <td style="text-align: right;">27,209</td> </tr> <tr> <td></td> <td style="text-align: right;">Intergovernmental Taxes:</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"> State Sales Taxes</td> <td style="text-align: right;">268,574</td> <td></td> <td style="text-align: right;">268,574</td> </tr> <tr> <td></td> <td style="text-align: right;"> State Beer taxes</td> <td style="text-align: right;">1,034</td> <td></td> <td style="text-align: right;">1,034</td> </tr> <tr> <td></td> <td style="text-align: right;"> Business Taxes</td> <td style="text-align: right;">92,396</td> <td></td> <td style="text-align: right;">92,396</td> </tr> <tr> <td></td> <td style="text-align: right;"> State Franchise Taxes</td> <td style="text-align: right;">27,002</td> <td></td> <td style="text-align: right;">27,002</td> </tr> <tr> <td></td> <td style="text-align: right;"> State Excise Taxes</td> <td style="text-align: right;">21,495</td> <td></td> <td style="text-align: right;">21,495</td> </tr> <tr> <td></td> <td style="text-align: right;"> Payment in lieu of Property Taxes</td> <td style="text-align: right;">56,300</td> <td></td> <td style="text-align: right;">56,300</td> </tr> <tr> <td></td> <td style="text-align: right;"> Telecommunication Taxes</td> <td style="text-align: right;">329</td> <td></td> <td style="text-align: right;">329</td> </tr> <tr> <td></td> <td style="text-align: right;"> Sport Betting</td> <td style="text-align: right;">3,691</td> <td></td> <td style="text-align: right;">3,691</td> </tr> <tr> <td></td> <td style="text-align: right;">Sale of Police Vehicle</td> <td style="text-align: right;">10,000</td> <td></td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td style="text-align: right;">Private Contributions</td> <td style="text-align: right;">28,200</td> <td></td> <td style="text-align: right;">28,200</td> </tr> <tr> <td></td> <td style="text-align: right;">Interest Earnings</td> <td style="text-align: right;">117,860</td> <td style="text-align: right;">44,511</td> <td style="text-align: right;">162,371</td> </tr> <tr> <td></td> <td style="text-align: right;">Miscellaneous</td> <td style="text-align: right;">555</td> <td style="text-align: right;">19,874</td> <td style="text-align: right;">20,429</td> </tr> <tr> <td></td> <td style="text-align: right;">Total General Revenues and Transfers</td> <td style="text-align: right;">3,749,915</td> <td style="text-align: right;">64,385</td> <td style="text-align: right;">3,814,300</td> </tr> <tr> <td></td> <td style="text-align: right;">Changes in Net Position</td> <td style="text-align: right;">630,805</td> <td style="text-align: right;">372,713</td> <td style="text-align: right;">1,003,518</td> </tr> <tr> <td></td> <td style="text-align: right;">Net Position - June 30, 2022</td> <td style="text-align: right;">12,922,282</td> <td style="text-align: right;">12,675,063</td> <td style="text-align: right;">25,597,345</td> </tr> <tr> <td></td> <td style="text-align: right;">Prior Period Adjustment (Note 12)</td> <td style="text-align: right;">53,531</td> <td style="text-align: right;">8,849</td> <td style="text-align: right;">62,380</td> </tr> <tr> <td></td> <td style="text-align: right;">Net Position - Beginning</td> <td style="text-align: right;">12,975,813</td> <td style="text-align: right;">12,683,912</td> <td style="text-align: right;">25,659,725</td> </tr> <tr> <td></td> <td style="text-align: right;">Net Position - Ending</td> <td style="text-align: right;">\$ 13,606,618</td> <td style="text-align: right;">\$ 13,056,625</td> <td style="text-align: right;">\$ 26,663,243</td> </tr> </table>										Property Taxes	638,481		638,481		Local Sales Taxes	2,436,091		2,436,091		Beer Taxes	20,698		20,698		TVA - In lieu of Taxes	27,209		27,209		Intergovernmental Taxes:					State Sales Taxes	268,574		268,574		State Beer taxes	1,034		1,034		Business Taxes	92,396		92,396		State Franchise Taxes	27,002		27,002		State Excise Taxes	21,495		21,495		Payment in lieu of Property Taxes	56,300		56,300		Telecommunication Taxes	329		329		Sport Betting	3,691		3,691		Sale of Police Vehicle	10,000		10,000		Private Contributions	28,200		28,200		Interest Earnings	117,860	44,511	162,371		Miscellaneous	555	19,874	20,429		Total General Revenues and Transfers	3,749,915	64,385	3,814,300		Changes in Net Position	630,805	372,713	1,003,518		Net Position - June 30, 2022	12,922,282	12,675,063	25,597,345		Prior Period Adjustment (Note 12)	53,531	8,849	62,380		Net Position - Beginning	12,975,813	12,683,912	25,659,725		Net Position - Ending	\$ 13,606,618	\$ 13,056,625	\$ 26,663,243
	Property Taxes	638,481		638,481																																																																																																																							
	Local Sales Taxes	2,436,091		2,436,091																																																																																																																							
	Beer Taxes	20,698		20,698																																																																																																																							
	TVA - In lieu of Taxes	27,209		27,209																																																																																																																							
	Intergovernmental Taxes:																																																																																																																										
	State Sales Taxes	268,574		268,574																																																																																																																							
	State Beer taxes	1,034		1,034																																																																																																																							
	Business Taxes	92,396		92,396																																																																																																																							
	State Franchise Taxes	27,002		27,002																																																																																																																							
	State Excise Taxes	21,495		21,495																																																																																																																							
	Payment in lieu of Property Taxes	56,300		56,300																																																																																																																							
	Telecommunication Taxes	329		329																																																																																																																							
	Sport Betting	3,691		3,691																																																																																																																							
	Sale of Police Vehicle	10,000		10,000																																																																																																																							
	Private Contributions	28,200		28,200																																																																																																																							
	Interest Earnings	117,860	44,511	162,371																																																																																																																							
	Miscellaneous	555	19,874	20,429																																																																																																																							
	Total General Revenues and Transfers	3,749,915	64,385	3,814,300																																																																																																																							
	Changes in Net Position	630,805	372,713	1,003,518																																																																																																																							
	Net Position - June 30, 2022	12,922,282	12,675,063	25,597,345																																																																																																																							
	Prior Period Adjustment (Note 12)	53,531	8,849	62,380																																																																																																																							
	Net Position - Beginning	12,975,813	12,683,912	25,659,725																																																																																																																							
	Net Position - Ending	\$ 13,606,618	\$ 13,056,625	\$ 26,663,243																																																																																																																							

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Other Governmental	Total
	Fund	Funds	Governmental
			Funds
ASSETS			
Cash & Cash Equivalent	\$ 441,360	\$ 364,131	\$ 805,491
Certificate of Deposits	6,127,700	-	6,127,700
Receivables:			
Property Taxes	834,362	-	834,362
Property Taxes-Delinquent	5,957	-	5,957
Ad Valorem Taxes	21,509	-	21,509
Accounts	-	86,381	86,381
Intergovernmental	232,281	6,927	239,208
Refundable Deposits	175	-	175
Due From Other Funds	150	25,086	25,236
Other-Prepays	25,460	-	25,460
Total Assets	7,688,954	482,525	8,171,479
LIABILITIES & FUND BALANCE			
LIABILITIES			
Accounts Payable	335,138	-	335,138
Payroll Payable	73,083	-	73,083
Accrued Expenses	1,588	-	1,588
Due to Other Funds	-	-	-
Reimbursements	402,125	-	402,125
Total Liabilities	811,934	-	811,934
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	861,828	-	861,828
Total Deferred Property Tax	861,828	-	861,828
FUND BALANCES			
Nonspendable	25,460	-	25,460
Restricted	-	482,525	482,525
Unassigned	5,989,732	-	5,989,732
Total Fund Balance	6,015,192	482,525	6,497,717
Total Liabilities & Fund Balance	\$ 7,688,954	\$ 482,525	\$ 8,171,479

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Statement of Net Positions are different because:

Fund Balance -- Total Governmental Funds	\$ 6,497,717	
Capital Assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	11,051,534	
Capital Assets net of Accumulated Depreciation	<u>(3,893,719)</u>	7,157,815
Long-term Debts are not payable in the current period, therefore, are not reported in the funds.		
Long-term Debts of accrued leave due as of June 30, 2023	<u>(48,914)</u>	
Net Position of Governmental Activities		<u><u>\$ 13,606,618</u></u>

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Other Governmental	Total
	Fund	Funds	
REVENUES			
Fines & Fees			
Traffic Violations	\$ 288,459		\$ 288,459
Litigation Tax	20,398		20,398
TN Department of Safety Commiss	10		10
Electronic Citation Fees-Court	35		35
General Session/Court Fees	335		335
Seizure	2,250		2,250
Electronic Citation Fee-Police	140		140
Taxes			
Property Taxes-Real Estate	638,481		638,481
Payment in Lieu Taxes	56,300		56,300
Sales Tax - Local	2,436,091		2,436,091
Beer Tax - Local	20,698		20,698
TVA - in Lieu Taxes	27,209		27,209
Intergovernmental			
Business Tax	92,396		92,396
Franchise Tax	27,002		27,002
Excise Tax	21,495		21,495
Sales Tax - State	268,574		268,574
Beer Tax - State	1,034		1,034
Petroleum Special	4,146	78,865	83,011
Telecommunications	329		329
Permits & Fees			
Building Permit	72,786		72,786
Other Permits	3,005		3,005
Zoning Permits	6,250		6,250
Inspection Fees	3,130		3,130
Professional Fees	24,222		24,222
Professional Fees - Waste Mangan	-	267,117	267,117
Other Revenues			
Interest Earning	114,678	3,182	117,860
Miscellaneous	530	25	555
State-Police Supplement Salary	5,600		5,600
State-Fire Supplement Salary	6,200		6,200
Federal Grant-Local Improvement	54,703		54,703
American Rescue Plan Act	294,636		294,636
BVP Bullet Proof Vest Award	308		308
State Grant	11,558		11,558
State Appropriation Grant	1,208		1,208
Sports Betting	3,691		3,691
Sale of Police Vehicles	10,000		10,000
Private Contributions	28,200		28,200
	<u>\$ 4,546,087</u>	<u>\$ 349,189</u>	<u>\$ 4,895,276</u>

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Other Governmental Funds	Total
EXPENDITURES			
Governmental Activities			
General	\$ 1,044,851	\$ -	\$ 1,044,851
Public Safety			
Police	717,890	-	717,890
Fire	767,313	-	767,313
Public Works			
General Public Works	467,408	-	467,408
Streets and Highways	-	60,747	60,747
Sanitation	-	250,007	250,007
Capital Outlay			
General - Administration	429,183	-	429,183
General Public Works	35,969	-	35,969
Streets and Highways	-	17,991	17,991
Public Safety			
Police	17,168	-	17,168
Fire	95,436	-	95,436
Total Expenditures	3,575,218	328,745	3,903,963
Excess Revenues (Expenditures)	970,869	20,445	991,314
Other Financing Sources (Expenditures)			
Transfer	(32,141)	32,141	-
Net Excess Revenues (Expenditures)	938,728	52,586	991,314
Fund Balance - June 30, 2022	5,076,464	429,939	5,506,403
Fund Balance - June 30, 2023	\$ 6,015,192	\$ 482,525	\$ 6,497,717

CITY OF PIPERTON, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Changes in Fund Balance - Total		
Governmental Funds	\$	991,314
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. In the Statement of Activities, cost of capital assets is allocated over the estimated useful lives of the assets and reported as depreciation expense.		
Cost of Capital Asset Acquired	188,697	
Less: Depreciation Expense	<u>(500,292)</u>	
		(311,595)
Some expenses reported in the statement of activities, such as accrued leave, do not require the use of current financial resources and are not reported as expenditures in the governmental funds.		
		(48,914)
Net Change in Net Position of Governmental Activities	<u>\$</u>	<u>630,805</u>

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER & SEWER
JUNE 30, 2023

ASSETS

Current Assets	
Cash and Equivalent	\$ 455,267
Investment	2,059,665
Accounts Receivable	114,759
Other Receivables	35,700
Due From Other Funds	(25,236)
Supplies	84,006
Total Current Assets	<u>2,724,161</u>
Capital Assets	
Land	20,640
Construction In Progress-Sewer Lines	2,760,447
Building & Improvement	10,000
Distribution System - Water	5,826,148
Sewer Lift Station	38,000
Sewer System	4,424,736
Computer & Accessories	17,975
Equipment & Vehicles	254,240
Less: Accumulated Depreciation	(2,672,285)
Total Capital Assets (net)	<u>10,679,901</u>
Deferred Outflow-Service Contract	227,500
Total Other Capital Assets	<u>10,907,401</u>
Total Assets	<u>\$ 13,631,562</u>

LIABILITIES & NET ASSETS

Current Liabilities	
Accounts Payable	282,755
Payroll Liabilities	11,675
Accrued Liabilities	1,743
Meter Deposit Payable-Customer	1,540
Provision - Subdivision Fees	37,410
Service Contract-Current	23,400
Interest Payable	9,100
Total Current Liabilities	<u>367,623</u>
Long-Term Liabilities	
Accrued Leave Payable	12,314
Service Contract-Long Term	167,700
Service Contract - Interest	27,300
Total Long-term Liabilities	<u>207,314</u>
Total Liabilities	<u>574,937</u>
Net Assets	
Net Investment in Capital Assets	10,679,901
Unrestricted	2,376,724
Total Net Position	<u>13,056,625</u>
TOTAL LIABILITIES & NET POSITION	<u>\$ 13,631,562</u>

Notes to Financial Statement are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON
PROPRIETARY FUND-WATER & SEWER
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES:

Sales & Services:

Sales - Water	\$ 667,434
Installation	208,040
Decentralized Revenue-Sewer	206,886
Fire Hydrant	35,069
Sales - Sewer	237,197
Tap Fees - Sewer	94,263
Installation Fees	15,200
Miscellaneous	19,874
Total Operating Revenues	<u>1,483,963</u>

OPERATING EXPENSES

Personnel Expenses:

Salaries	269,665
Payroll Taxes	20,608
Holiday Bonus	1,787
Insurance - Employee	36,329
Employee Retention Fees	8,400
Deferred Comp	8,067
Total Personnel	<u>344,856</u>

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
PROPRIETARY FUND-WATER & SEWER
YEAR ENDED JUNE 30, 2023

General & Administration Expenses:	
Cost of Water Sold	241,937
Utilities	19,785
Telephone-Cell Stipend	1,175
Portable Water	413
Postage & Freight	5,914
Formal & Public Notices	731
Meter SWL GP Support	4,825
Travel & Training	1,708
TN One Call Locates	2,232
Lab Testing	340
Water Tank Maintenance-Annual	32,530
Data Processing-Software	24,404
Materials, Supplies & Maintenance	82,013
Water Meters	17,675
Contract Residential Tank Pumping	12,925
Facility Maintenance Fees	1,489
Telephone & Data	1,304
GPS Monitoring	1,878
Vehicle Maintenance	2,522
Oil & Fuel	4,537
Insurance-Work Comp	15,653
Depreciation	213,841
Reimbursement - Chickasaw Trail	41,436
Reimbursement - Rossville	55,571
Sewer Pumps	20,601
Decentralized Sewer-State Renewal	750
State Impact Fees	1,740
Public Work Week	976
Total General Administration Expenses	<u>810,905</u>
Operating Income	<u>328,202</u>
Non-Operating Income	
Interest Income	<u>44,511</u>
Change in Net Position	<u>372,713</u>
Net Position -June 30, 2022 as stated	12,675,063
Prior Period Adjustment (Note 12)	8,849
Net Position -June 30, 2022 as restated	<u>12,683,912</u>
Net Position -June 30, 2023	<u><u>13,056,625</u></u>

Notes to Financial Statements are an Integral part of this Statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF CASH FLOWS - WATER & SEWER FUND
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers for goods and services	\$ 1,256,006
Cash received from customers as deposits	22
Cash refund to customers	(2,012)
Cash payments to vendors and suppliers for goods and services	(516,839)
Cash paid to employees for services rendered	<u>(340,017)</u>
Cash Used for Operating Activities	<u>(858,846)</u>
Net Cash provided by operating activities	<u>397,160</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	<u>(357,164)</u>
Net Cash Provided by Financing Activities	<u>(357,164)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Investment	44,511
Cash Transferred to Investment	<u>(42,487)</u>
Net Cash Provided by Investing Activities	<u>2,024</u>
NET INCREASE IN CASH AND CASH EQUIVALENT	42,020
CASH BEGINNING - July 1, 2022	<u>413,246</u>
CASH ENDING - June 30, 2023	<u><u>\$ 455,266</u></u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

OPERATING INCOME	\$ 328,202
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	213,841
Decrease (Increase) in Current Assets	(86,140)
Increase (Decrease) in Current Liabilities	(58,743)
	<u>68,958</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 397,160</u></u>

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30 , 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines & Fees				
Traffic Violations	\$ 450,000	\$ 277,000	\$ 288,459	11,459
City Litigation Tax	27,000	20,000	20,398	398
State Litigation Tax	1,000	400	-	(400)
TN Dept of Safety Commission	100	10	10	-
Electronic Citations Fees - Court	50	32	140	108
General Session/Circuit Court Fees	1,500	160	35	(125)
No Insurance Fines	12,000	5,000	335	(4,665)
Clerk Fees - Seatbelt	100	-	-	-
Police Officer Reimbursable	-	2,250	2,250	-
Electronic Citations Fees - Police	200	125	-	(125)
	<u>491,950</u>	<u>304,977</u>	<u>311,627</u>	<u>6,650</u>
Taxes				
Property Taxes - Real Estates	600,000	611,850	638,481	26,631
Ad Valorem Tax	22,000	22,000	-	(22,000)
Prroperty Tax-Personal	8,000	8,000	-	(8,000)
Payment in Lieu of Property Taxes	55,900	55,900	56,300	400
Sales Tax - Local	2,100,000	2,100,000	2,436,091	336,091
Beer Tax - Local	25,000	25,000	20,698	(4,302)
Business Tax	70,000	91,400	92,396	996
Franchise Tax	26,000	26,000	27,002	1,002
Excise Taxes	25,000	25,000	21,495	(3,505)
	<u>2,931,900</u>	<u>2,965,150</u>	<u>3,292,463</u>	<u>327,313</u>
Intergovernmental				
Sales Tax - State	251,193	251,193	268,574	17,381
Beer Tax - State	1,064	1,064	1,034	(30)
TVA - In Lieu of Tax	23,762	23,762	27,209	3,447
Petroleum Special	4,141	4,141	4,146	5
Telecommunications	360	360	329	(31)
	<u>280,520</u>	<u>280,520</u>	<u>301,292</u>	<u>20,772</u>
Permits & Fees				
Building Permit	200,000	80,000	72,786	(7,214)
Other Permits	1,000	3,000	3,005	5
Zonning Permits	10,000	10,000	6,250	(3,750)
Services Reimbursement	20,000	20,000	24,222	4,222
Code Enforcement Fees	250	-	-	-
Inspections Fees - Fire Dept	6,100	3,000	3,130	130
	<u>237,350</u>	<u>116,000</u>	<u>109,393</u>	<u>(6,607)</u>

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other Revenues				
State Law Enforcement Education	5,600	5,600	5,600	-
State Fire Education	4,000	6,200	6,200	-
BVP-Bullet Proof Vest Award	-	308	308	-
Federal Grant-Local Community	-	54,703	54,703	-
Direct Appropriation-State Grant	-	11,558	11,558	-
Federal Grant-Local PPE	-	1,208	1,208	-
American Rescue Plant Act	294,636	294,636	294,636	-
Donation - Fire Department	-	28,200	28,200	-
Sport Betting	3,395	3,795	3,691	(104)
Sale of Police Car	-	10,000	10,000	-
Interest Earnings	22,000	114,600	114,678	78
Other Income-Miscellaneous	150	530	530	-
Total Other Income	329,781	531,338	531,312	(26)
Total Revenues	4,271,501	4,197,985	4,546,087	348,102

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budgets
	Original	Final		
EXPENDITURES				
Payroll & Personnel				
Salaries - Mayor & Commission	24,000	24,000	24,000	-
Payroll Taxes	1,928	1,928	1,928	-
Salaries - Municipal Court	85,759	86,090	86,088	(2)
Wages-Overtime	300	300	-	(300)
Employee Retention Bonus	3,000	3,000	3,000	-
Stipend Pay	1,800	1,800	1,800	-
Payroll Taxes	9,204	9,204	9,183	(21)
Christmas Bonus	650	650	650	-
Insurance - Health	13,150	13,150	12,688	(462)
Deferred Compensation	3,431	3,431	2,070	(1,361)
Salaries - Administration	249,020	249,020	231,311	(17,709)
Employee Retention Bonus	6,000	6,000	6,000	-
Christmas Bonus	1,300	1,300	1,299	(1)
Payroll Taxes	19,792	19,792	18,307	(1,485)
Insurance - Health	22,100	23,101	23,101	-
Deferred Compensation	9,961	9,961	8,400	(1,561)
Workers Compensation - Insura	30,000	30,000	20,695	(9,305)
Insurance - Health (Administrati	1,200	1,200	1,200	-
Workers Compensation - Insura	5,860	5,860	4,199	(1,661)
Salaries - Bldg & Code	227,530	224,850	192,848	(32,002)
Employee Retention Bonus	6,000	6,000	6,000	-
Payroll Taxes	18,194	18,194	14,847	(3,347)
Insurance - Health	39,250	39,250	34,492	(4,758)
Christmas Bonus	1,300	3,980	3,975	(5)
Deferred Compensation	9,101	9,101	7,336	(1,765)
Employee Benefits	1,200	2,950	2,950	-
City Planner	25,500	28,000	28,000	-
Salaries - Overtime	5,000	5,000	4,480	(520)
Total Payroll Expenditures	821,530	827,112	750,847	(76,265)

Notes to the Financial Statements are an integral part of this statements.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30 , 2023

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget
Operating Expenses:				
Postage, Box Rent, etc	400	400	130	(270)
Telephone - Municipal Court	3,400	3,400	3,360	(40)
Utilities	3,000	3,500	3,257	(243)
Professional Services-Legal	15,000	15,000	480	(14,520)
Professional Accounting & Audit	7,832	7,832	7,450	(382)
Court Official - Judge	14,400	14,400	14,400	-
Court Attorney	14,400	14,400	14,400	-
Travel, Training & Certifications	800	800	582	(218)
Office Supplies	1,500	1,500	915	(585)
ECF Expenditures	795	795	534	(261)
Miscellaneous	200	200	-	(200)
Hospital Wing Membership	2,500	2,500	-	(2,500)
Cell Phone Stipend	2,400	2,400	2,400	-
Ordinance Codification	500	500	83	(417)
Postage & Freight	2,000	2,000	2,076	76
Printing & Copying-Rental	2,900	2,900	2,747	(153)
Publication of Formal & Legal	2,500	2,500	2,830	330
Subscription - Newspaper	3,850	3,850	3,511	(339)
IDB Other Publicity, Advertising	1,500	1,500	157	(1,343)
Utilities	7,000	8,600	8,298	(302)
Telephone	7,600	8,920	8,469	(451)
GPS Monitoring	204	264	251	(13)
Legal & Professional Fees	40,000	40,000	32,700	(7,300)
Accounting & Auditing Services	22,000	22,000	22,000	-
MeterSW/LG/PW Support	15,000	22,900	17,423	(5,477)
Website Maintenance	5,170	5,170	5,170	-
County Clerk Support	600	600	599	(1)
Travel, Training & Certifications	3,500	3,500	3,818	318
Office Supplies	6,500	6,500	6,500	-
Regulatory Documents - updates	10,000	10,000	7,214	(2,786)
Computer Equipment Replaceme	5,000	5,000	5,031	31
Janitorial Supplies	3,200	3,200	2,368	(832)
Rents & Leases	16,800	33,600	33,600	-
Miscellaneous	1,000	1,000	1,000	-
Newsletter-Pulse	250	250	-	(250)
Total Expenditure - General	223,701	251,881	213,753	(38,128)

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
EXPENSES				
Operating Expenses				
Cell Phone Stipend	3,000	3,000	2,600	(400)
Postage & Rent Box, Etc	100	100	58	(42)
Membership Registration	300	400	380	(20)
Data Processing-Support	1,500	1,500	1,500	-
Training & Travel	4,000	3,900	3,805	(95)
GPS Monitoring	800	1,035	1,004	(31)
Building Code Enforced-Clean Up	3,000	3,000	-	(3,000)
Office Supplies & Material	1,400	1,400	1,276	(124)
Reference Matrials	1,000	1,000	300	(700)
Uniforms	1,250	1,250	744	(506)
Gas & Fuel-Vehicles	6,000	6,000	3,050	(2,950)
GIS Mapping	5,000	5,000	-	(5,000)
Miscellaneous	500	500	170	(330)
IT Services	24,000	24,000	18,215	(5,785)
Special Census	3,000	-	-	-
Repair & Maintenance Due Diligence	600,000	1,000,000	429,183	(570,817)
City Hall Camera Improvement	5,000	5,000	5,043	43
Charitable Contributions	-	500	500	-
Organizational Study	15,000	-	-	-
Architectural & Engineering	75,000	75,000	41,606	(33,394)
Fixture & Furniture & Equipment	25,000	-	-	-
Total Expenditures-General	<u>774,850</u>	<u>1,132,585</u>	<u>509,434</u>	<u>(623,151)</u>

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
EXPENSES				
Operating Expenses				
Cell Phone Stipend	3,000	3,000	2,600	(400)
Postage & Rent Box, Etc	100	100	58	(42)
Membership Registration	300	400	380	(20)
Data Processing-Support	1,500	1,500	1,500	-
Training & Travel	4,000	3,900	3,805	(95)
GPS Monitoring	800	1,035	1,004	(31)
Building Code Enforced-Clean Up	3,000	3,000	-	(3,000)
Office Supplies & Material	1,400	1,400	1,276	(124)
Reference Matrials	1,000	1,000	300	(700)
Uniforms	1,250	1,250	744	(506)
Gas & Fuel-Vehicles	6,000	6,000	3,050	(2,950)
GIS Mapping	5,000	5,000	-	(5,000)
Miscellaneous	500	500	170	(330)
IT Services	24,000	24,000	18,215	(5,785)
Special Census	3,000	-	-	-
Repair & Maintenance Due Diligence	600,000	1,000,000	429,183	(570,817)
City Hall Camera Improvement	5,000	-	5,043	5,043
Charitable Contributions	-	500	500	-
Organizational Study	15,000	-	-	-
Architectural & Engineering	75,000	75,000	41,606	(33,394)
Fixture & Furniture & Equipment	25,000	-	-	-
Total Expenditures-General	<u>774,850</u>	<u>1,127,585</u>	<u>509,434</u>	<u>(618,151)</u>

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Police Department				
Salaries	466,960	466,960	441,720	(25,240)
Payroll Overtime	8,000	8,000	5,551	(2,449)
Holiday Pay	16,800	16,800	13,485	(3,315)
State Law Enforcement Eduatio	5,600	5,600	5,600	-
Payroll Tax Expenses	39,601	39,601	36,610	(2,991)
Deferred Compensation	18,679	19,889	14,556	(5,333)
Insurance-Health	51,000	51,000	34,562	(16,438)
Workcomp-Insurance	32,550	32,550	30,592	(1,958)
Holiday Bonus	2,400	2,400	2,112	(288)
Employee Retention Bonus	10,500	10,500	10,500	-
Stipend-Education/Certificati	4,200	5,550	5,550	-
Sign on Bonus	2,000	2,000	2,000	-
Cell Phone Stipend	1,200	1,200	1,200	-
Postage, Box Rent	200	200	136	(64)
Internet/CNC/Crime Portal	7,400	7,400	6,641	(759)
Publications/Printings	2,000	2,000	475	(1,525)
Subscription & Dues	1,100	1,100	1,075	(25)
Utilities	3,400	3,400	2,559	(841)
Telephone	5,300	5,300	5,294	(6)
Accounting & Auditing Fees	7,740	7,740	7,450	(290)
Data Processing Support	2,000	2,000	1,369	(631)
Vehicle Maintenance	10,000	10,000	7,327	(2,673)
Equipment-Repair/Replace	3,000	3,000	1,307	(1,693)
Training & Travel	6,950	6,950	2,560	(4,390)
GPS Monitoring	2,000	2,585	2,501	(84)
Office Supplies & Material	3,000	3,000	2,410	(590)
ECF Expenditures	4,600	4,600	2,897	(1,703)
Officer Equipment	5,000	5,000	276	(4,724)
Uniforms	5,000	5,000	2,565	(2,435)
Reference Material	500	500	345	(155)
Radar Certification	450	450	440	(10)
Rent Expenses	16,800	16,800	16,800	-
Fuel, Oil & Maintenance	37,000	37,000	48,348	11,348
Officers Supplies	1,500	1,500	1,077	(423)
Equipment	55,000	17,168	17,168	-
Miscellaneous	800	800	-	(800)
	840,230	805,543	735,058	(70,485)

Notes to Financial Statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30 , 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Fire Department				
Salaries	482,130	482,130	376,835	(105,295)
Salaries - Overtime	62,000	73,000	72,412	(588)
Holiday Pay	10,000	10,000	10,655	655
Calls & Meetings	2,500	5,000	3,977	(1,023)
Holiday Bonus	3,600	3,600	2,112	(1,488)
State Law Enforcement-Education	8,000	8,000	6,200	(1,800)
Payroll Expenses	45,148	45,148	36,777	(8,371)
Deferred Comp	18,486	18,486	11,515	(6,971)
Insurance - Medical	48,000	48,000	45,926	(2,074)
Insurance - W. Comp - Liability	27,000	27,000	27,049	49
Stipend - Education Certification	9,000	9,000	5,400	(3,600)
Employee Retention Bonus	10,500	10,500	9,000	(1,500)
Employee 10 Years Recognition/Boni	1,250	1,250	-	(1,250)
Cell Phone Stipend	1,200	1,200	1,200	-
Radio & Communication	2,000	2,000	1,634	(366)
Utilities	4,500	4,500	3,588	(912)
Telephone	2,800	3,190	3,183	(7)
Data Processing Support Charges	4,200	4,200	3,816	(384)
Repairs & Maintenance-Vehicles	9,000	11,300	11,339	39
Vehicles Maintenance	9,000	24,838	23,213	(1,625)
Training & Travel	6,000	6,000	5,790	(210)
GPS Monitoring	1,224	1,574	1,312	(262)
Office Supplies & Materials	2,500	2,500	2,276	(224)
IPAD for Reports & Inspection	900	900	968	68
Medical Supplies	7,000	7,000	6,374	(626)
Rescue Equipment	-	-	12,660	12,660
Operating Equipment	5,000	5,000	4,717	(283)
Personal Equipment	1,000	1,250	4,201	2,951
Community Outreach	1,000	1,000	945	(55)
Uniforms	3,000	5,400	4,733	(667)
Gas & Fuel - Vehicles	8,000	8,000	5,843	(2,157)
Safety Equipment	1,900	1,900	6,397	4,497
Firehose Replacement	5,400	5,400	1,357	(4,043)
AED Replacement	5,400	5,400	5,236	(164)
Weather Stations	1,600	1,600	1,419	(181)
Portable Tools-Cordless	3,000	3,000	2,971	(29)
2500 Gallon Dump Tank	2,600	2,600	2,345	(255)
Turnouts to Replace Out of Date Gea	-	13,600	13,685	85
City Hall - Camera Improvement	-	5,300	-	(5,300)
Auto Extrication Tools	52,000	108,323	95,436	(12,887)
Fire Equipment	90,000	28,200	28,253	53
New Repeater & Microwave	98,000	-	-	-
Emergency Sirens	130,000	-	-	-
Land	200,000	-	-	-
Total Expenditures - Fire	1,385,838	1,006,289	862,749	(143,540)

Notes to financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Continued)
YEAR ENDED JUNE 30 , 2023**

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Public Works				
Salaries	300,711	300,711	261,485	(39,226)
Salaries - Overtime	28,000	28,000	14,134	(13,866)
Holiday Bonus	5,000	5,000	4,624	(376)
Payroll Expenses	26,516	26,516	21,321	(5,195)
Insurance	43,000	46,420	46,418	(2)
Deferred Compensation	10,657	10,657	7,936	(2,721)
Insurance-Work Comp	8,000	8,500	5,424	(3,076)
Employee Retention Bonus	9,600	9,600	8,100	(1,500)
Cell Phone Stipend	3,300	3,300	3,300	-
Copier Rental-Wells Fargo	2,420	2,540	2,523	(17)
Public Notices & Publications	1,500	1,500	1,451	(49)
Utilities	4,800	5,700	5,436	(264)
Community Drainage Repairs	50,000	50,000	-	(50,000)
Repairs & Maintenance-Vehicles	14,500	14,500	4,522	(9,978)
Mowing & Ground Maintenance	6,000	6,650	6,613	(37)
Travel & Trainings	2,500	2,500	1,237	(1,263)
Data Processing & Telephone	6,600	7,400	7,091	(309)
GPS Monitoring	550	670	493	(177)
Data Processing	3,020	3,020	1,850	(1,170)
Office Supplies & Materials	4,000	4,000	2,848	(1,152)
Household & Janitorial Supplies	3,000	3,000	2,095	(905)
Minor Equipment-Portable	3,000	3,000	2,330	(670)
Personal Equipment	3,000	3,000	2,146	(854)
Uniforms	4,000	4,000	3,630	(370)
Fuel, Oil & Gas	20,000	20,000	8,168	(11,832)
Emergency Safety Light	1,000	1,000	-	(1,000)
Landscaping City Hall, PW Bldg	3,000	3,000	878	(2,122)
Public Work Week-Celebration	500	500	500	-
Community Beautification	6,000	6,000	730	(5,270)
Equipment	12,800	-	-	-
Equipment - Backhoe	27,741	27,741	27,739	(2)
Equipment - Xmark Mower	16,000	16,000	10,677	(5,323)
City Entrance Monument Singage	25,000	25,000	7,500	(17,500)
Piper House Park - Improvement	100,000	100,000	30,178	(69,822)
Total Expenditures - Public Works	755,715	749,425	503,377	(246,048)
Other Financing Sources (Expenditures)				
Transfer	410,000	32,141	32,141	-
Total Expenditures	1,165,715	781,566	535,518	(246,048)
Total Expenditures (General Fund)	5,216,864	4,804,976	3,607,399	(1,197,577)
Excess Revenues (Expenditures)	(945,363)	(606,991)	938,728	1,545,719
Fund Balance June 30, 2022			5,076,464	
Fund Balance- June 30, 2023			6,015,192	

Notes to financial statements are an integral part of this statement.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

City of Piperton, Tennessee (“City”) operates under a Mayor – Commissioners form of government and provides the following services as authorized by its Charter: Public Safety, Street Maintenance, Sanitation, Water and Sewer, and General Administrative Services.

B. Reporting Entity

The financial statements of the City consist of the funds of the City. In evaluating component units, blended or discrete component units, the City applies criteria set forth in Generally Accepted Accounting Principle (GAAP) in the United States. These criteria are: 1.) the governing body to exercise oversight responsibility; 2.) selection of governing body, the designation of management, ability to significantly influence operations, and accountability for fiscal matters; 3.) public services and activities within geographic boundaries that benefits the government and/or its citizens. The City has no oversight responsibility for any other governmental entity since no entities are considered to be controlled by or dependent on the City. There are no blended or discrete component units.

C. Government-wide and Fund Financial Statements

The basic financial statements are government-wide and governmental fund, which comprise of all funds of a particular type. The focus of government-wide financial statements is reporting the City as whole. The purpose of fund statement is to report major individual governmental funds within the fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report the Statement of Net Position, both the governmental funds and business-type activities columns (a) on a consolidated basis by columns, and (b) presented on full-accrual basis, and (c) on economic resources basis, which incorporates long-term assets and receivables as well as long-term debts and obligations. The Statement of Activities reflects expenditures per functional category such as: public safety, public works, health and welfare, etc. Costs are supported by general government revenues from various resources: property taxes, sales taxes, intergovernmental funds, fines, penalties, permits and charges for services. The Statement of Activities represents expenses, depreciation by related program revenues, and operating and capital grants contributions.

The City first uses restricted assets for expense incurred for which both restricted and unrestricted assets are available. When both restricted and unrestricted resources are available, it is City’s policy to use restricted resources first then unrestricted resources as they are needed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

government's utility divisions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Government-Wide Financial Statement are prepared using the economic resources measurement and the accrual basis accounting. Financial statements contain current assets and liabilities, as well as capital assets and long-term obligations in the Schedule of Net Position. The accrual method reports all the revenues earned and all the expenses when incurred regardless of timing of related cash flows in the Schedule of Activities. Using the accrual method and economic resources measurement are similar to the proprietary fund (business-type fund) financial statements.

Statement of Net Position is designed to report the financial position of the primary government (government and business-type activities) and its directly presented component units. Government reports all capital assets, infrastructure, and construction in progress in the government-wide schedule of net position and will report depreciation expenses, which is the cost of "using up" capital assets in the Schedule of Activities. The net position is divided into three categories: (1) net investment in capital assets, which contains all capital assets net of depreciation; (2) restricted for special revenue funds, and (3) unrestricted that are available for expenditures to meet City's obligations. When both restricted and unrestricted resources are available, it is City's policy to use restricted resources first then unrestricted resources as they are needed.

Statement of Activities reports all revenues when earned regardless of when cash and/or other assets are received. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses, which are cost of providing services, are reported when incurred and are reported as liabilities, regardless of when cash disbursements are made. Expenses of each function are compared to the revenues generated directly for the function through user charges or the intergovernmental grants. The City does not allocate expenses.

Fund Financial Statements Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow resources, liabilities, deferred inflow resources, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- 1) Total assets, liabilities, revenues, expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all fund of that category or type; and
- 2) Total assets, liabilities, revenues, expenditures/expenses of the individual governmental fund or enterprise funds are at least 5% of the corresponding total for all governmental and enterprise funds combined; or

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

- 3) The City official may select any other funds not meeting the above criteria as a major fund if the official believes the fund is of particular importance to financial statement users.

Based on the above mentioned criteria, City officials believe that the major funds for the City are General Fund and Water-Sewer Fund. The City has three (3) Special Revenue Funds: State Street Aid Fund, Drug Fund, and Sanitation Fund.

Governmental Funds

General Fund- The General Fund is the primary operating fund and accounts for all financial resources and activities of the general government those legally or administratively required to be accounted.

State Street Aid Fund is the fund that accounts for all revenues and expenditures from the City's share of state gasoline taxes. State law requires these receipts be kept in a separate account and used for the construction and maintenance of City streets and certain related street expenditures. Three major sources of revenues are share revenue from the state: Gasoline & Motor Fuel Tax, Gas 1989, and Gas 3 Cents.

Sanitation Fund accounts for all revenues and expenses related to the collections and disposal of solid waste and recycling items.

Drug Fund presents revenues and expenditures for drug fine, seizures, and enforcement costs.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental funds are prepared using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 (sixty) days from the end of the current fiscal year.

Property taxes, state shared revenues, eligible grants, and interest associated with the current fiscal period are presented on the accrual basis. All other revenue items are considered to be measurable and available only when cash is received. Expenditures are recorded as liabilities when the expenditures incurred, as under accrual basis of accounting, if cash disbursement is deferred. Debt services are recorded as expenditures when payment for obligation is satisfied in the related fiscal period.

Balance Sheet of the governmental funds presents the current assets and current liabilities of the government with residual in the fund balance. The fund balance is reconciled to the Statement of net position of government-wide financial statements to reflect the capital assets and long-term liabilities of the City and to reflect the net position of the governmental activities.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

Statement of Revenues and Expenditures and Changes in Fund Balance the governmental funds is prepared to reflect measure resources available and measurable and changes in the fund balance. This statement is reconciled to the Statement of Activities of the government-wide financial statement to present the change in the Net position of the governmental activities.

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business-type (enterprises) fund – where the intent of the governing body is that the costs and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenditures incurred, and/or net income is appropriate for capital maintenance, public policy, promote growth, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenditures from non-operating items. Operating revenues and expenditures result from providing services, producing and delivering goods in connection with a proprietary fund’s principal on-going operations. Operating expenditures for enterprise funds include the cost of sales and services, administrative expenditures and capital assets depreciation. All revenues and expenditures not meeting these criteria and definition are reported as non-operating revenues and expenditures. The City has one proprietary fund – Water and Sewer fund.

When both restricted and unrestricted resources are available, it is City’s policy to use restricted resources first then unrestricted resources as they are needed.

D. Budgetary Compliance and Accountability

City of Piperton operates through the use of a formal operating budget which is for governmental funds adopted by the Mayor and Board of Commissioners at the beginning of the fiscal year via on Line-Item Basis. Annual budgets are adopted on a basis consistent with modified cash basis, (Non GAAP). The City follows following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the City Manager submits to the Mayor and Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted at the City hall during monthly board meetings to obtain public comments.
3. The Budget, as submitted, is revised by the Mayor and Board of Commissioners. Revisions are made to the budget any time a deficit is indicated, then the budget is approved.
4. Budgetary comparisons are performed by the management as a management control device during the year. The budget and actual comparisons are formally presented to the Mayor and Board of Commissioners throughout the year.
5. The budget is revised by the Mayor and Board of Commissioners to reflect the necessary budget amendments. The final budgets become the instrument of operations.

City of Piperton’s Charter requires that budgetary information and comparison to be made for each department within each fund. All annual appropriations lapse at fiscal year end.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

E. Cash and Cash Equivalent and Investments

Cash and cash equivalents consist of cash, saving accounts and certificate of deposits with an original maturity of three months or less. Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be refunded to it. Although the City has not formally adopted a policy regarding collateralization of deposits, the City follows collateralizing requirements of State of Tennessee statute.

Investments of the City are held in the Collateral Pool administered by the Tennessee State Secretary. The State Treasury Investment Pool protects the funds in the event of failure of the financial institution, and securities pledged by that institution would be liquidated to replace the public deposits not covered by the FDIC. The reported value is the same as the fair value of the pool share. The City has not adopted a formal investment policy that limits its interest rate or credit risk.

By the State statute, the City is allowed to invest in the interest-bearing time certificate of deposits, repurchase agreements, debt and equity instruments, United States Treasury or the State of Tennessee bonds or direct obligations, corporate bonds, commercial papers and other investment instruments.

F. Receivables and Payables

Accounts receivables result primary from unpaid billings for service to customers, local taxes from businesses and individuals, and intergovernmental revenues due from other governmental entities. Receivables are reported net of an allowance for uncollectible accounts and or estimated, to be uncollectible. Allowances are reported when accounts are proven, or estimated, to be uncollectible. The only allowance deemed necessary related to property taxes and utility billings.

H. Capital Assets

Capital assets are recorded as expenditures of the General and Special Revenue funds, and as assets in the government-wide financial statements, to the extent the City's capitalization threshold is met. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.00 and an estimated useful life in excess of three years. All capital assets are valued at historical costs or an estimated historical cost if actual historical cost is not available. Donated capital assets are recorded as fair value of the asset at time of donation.

Capitalization thresholds and estimated useful lives of capital assets are reported in the government-wide financial statements and proprietary funds. Depreciation is calculated on the straight-line method for all assets, except land.

<u>Asset Type</u>	<u>Estimated Useful Life (Years)</u>
Land	0
Buildings and Improvements	39
Equipment	5-20
Distribution System	40-50
Infrastructure	25

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an operations expense. Accumulated depreciation is reported on proprietary fund balance sheet. Depreciation is calculated over their useful lives using the straight-line method, same as governmental funds. Upon sale or retirement of the capital assets, the cost and related depreciation are eliminated from the respective accounts and any resulting gain or loss is included in the statement of activities.

Maintenance, repairs and minor equipment are charged to operation when incurred. Expenditures that materially enhance capacity or extend the useful lives of the capital assets are capitalized.

I. Property Taxes

Under authority of state and local law the City annually levies a property tax on all taxable real and personal property within its boundaries. The City's property taxes are levied for current fiscal year October 1st on the assessed valued listed as of the prior January 1st for all real and personal property located in the City's legal boundaries. Property Taxes are secured by a statutory lien effective as of the original assessment date of January 1st.

Payments may be from October 1 through February 28th and are delinquent on March 1st. One year after the due date, delinquent taxes are submitted to County Chancery Court for collection. Tax liens become perfected at the time the court enters judgment.

Assessed value for property taxes is established by the State of Tennessee. Taxes are levied at a rate of **\$0.3176 per \$100** of assessed valuation. The city bills and collects the property taxes, and delinquent taxes are turned over to the County Chancery Court for collection.

J. Deferred Inflows

The statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period, and will not be recognized as an inflow of resources (revenues) until that time. The City has items that qualify for reporting in this category. Accordingly these items are reported in the government-wide Statement of Net Position and the governmental funds Balance Sheet. These revenues are from current and delinquent property taxes.

K. Compensated Absences

Full-time employees earn vacation days each calendar month of service. Sick leave accumulates eight hours for each month of service. Unused vacation is paid upon separation of service. The City's policy does not allow employees to be carried over to the following year, therefore does not accrue vacation leave as long-term liabilities.

Accrued sick leave amounts is reported only if they have matured. Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from services, no monetary obligation exists. Accumulated sick leave is included in long-term liabilities.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

L. Fund Balance

The City follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective is to enhance the usefulness and accountability of fund balance information by providing clearly defined fund balance categories to make the nature and extent to which the City is bound to honor constraints or the specific purposes for which amounts in the fund can be spent. Fund balance classifications for the City are as follows:

- 1.) **Nonspendable Fund Balance** – amounts that are not in spendable form (such as inventory and other prepaid items) or legally or contractually required to be maintained intact.
- 2.) **Restricted Fund Balance** – amounts that are constrained for specific purposes by their providers (such as: grantors, bondholders, and higher level of government) through constitutional provisions, or enabling legislation.
- 3.) **Committed Fund Balance** – amounts constrained for specific purposes by the City using its highest level of decision making authority, the board of aldermen. The committed funds cannot be used for any other purpose unless the Board takes the same action to modify or rescind the constraints by ordinances and/or resolutions.
- 4.) **Assigned Fund Balance** – amount the City intends to use for specific purpose. The intent can be expressed by the board or the designee to whom the board delegates the authority. There is no designee with authority to assign fund balances.
- 5.) **Unassigned Fund Balance** – the residual amount for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the general fund.

When an expenditure is available in multiple funds balance classifications, the City's general policy is to deplete the restricted fund balance first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is City's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amount. In both instances, when a proposed expenditure is made with specific balances identified as the source of funding, that specific fund balance will be used.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENT AND INVESTMENTS

The City's Demand Deposits and Time Deposits are insured by Federal Depository Insurance Corporation up to \$250,000.00 each, and \$1,010,758.00 is insured with securities held by the financial institutions that are members of Tennessee Collateral Pool. Therefore, cash and cash equivalent for the City with the financial institutions equals the sum of \$1,260,758.00.

Investments consist of various certificates and money market funds maturing in one year or less. All certificates of deposits have maturity of one year or less to manage the risk exposure and decline in value. Investments are reported at the carrying value at the financial institution, which equals \$8,187,365.00.

The state of Tennessee authorizes investment in obligation of U.S. Treasury, commercial paper, cooperate bonds, repurchase agreement and state investment pool. The investment pool operates in accordance with appropriated State law and regulation. The reported value of value is the same as the fair value of the pool share.

NOTE 3 – ESTIMATES

Financial statements prepared in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Therefore, actual results could differ from those estimates.

NOTE 4 – RISK MANAGEMENT

City of Piperton is exposed to various risks of losses related to torts, theft and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City participates in the Tennessee Municipal League (TML), and transfers its risk to the pool. The premium for general, auto, property, errors and omissions, and dishonesty policies are calculated based on claim history and the merit of claim history. The City's claims have not exceeded coverage provided by the Pool in any of the past three years.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENT AND INVESTMENTS

The City's Demand Deposits and Time Deposits are insured by Federal Depository Insurance Corporation up to \$250,000.00 each, and the excess is insured with securities held by the financial institutions that are members of Tennessee Collateral Pool. Cash and cash equivalent for the City with the financial institutions equals the sum of \$1,010,758.00.

Investments consist of various certificates and money market funds maturing in one year or less. All certificates of deposits have maturity of one year or less to manage the risk exposure and decline in value. Investments are reported at the carrying value at the financial institution, which equals \$8,187,365.00.

The state of Tennessee authorizes investment in obligation of U.S. Treasury, commercial paper, cooperate bonds, repurchase agreement and state investment pool. The investment pool operates in accordance with appropriated State law and regulation. The reported value of value is the same as the fair value of the pool share.

NOTE 3 – ESTIMATES

Financial statements prepared in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Therefore, actual results could differ from those estimates.

NOTE 4 – RISK MANAGEMENT

City of Piperton is exposed to various risks of losses related to torts, theft and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City participates in the Tennessee Municipal League (TML), and transfers its risk to the pool. The premium for general, auto, property, errors and omissions, and dishonesty policies are calculated based on claim history and the merit of claim history. The City's claims have not exceeded coverage provided by the Pool in any of the past three years.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS

Capital Assets for year ended June 30, 2023, are as following:

Classification	Balance June 30, 2022	Additions	Retirements) & Contributions	Balance June 30, 2023
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 879,929	-	\$ -	\$ 879,929
Construction in Progress	59,468	-		59,468
Total Non-Depreciable Assets	939,397	0	-	939,397
Depreciable Capital Assets				
Buildings	1,788,800	-	-	1,788,800
Computer & Accessories	59,676	-	-	59,676
Vehicles & Equipment	2,014,849	151,020	(35,345)	2,130,524
Street Lights	506,766	-	-	506,766
Roadways & Improvements	4,572,550	-	-	4,572,550
Infrastructure	1,016,143	37,678	-	1,053,821
Total Depreciable Capital Assets	9,958,784	188,698	(35,345)	10,112,137
Less Accumulated Depreciation				
Buildings	216,260	42,895	-	259,155
Computer & Accessories	59,794	3,064	-	62,858
Vehicles & Equipment	1,608,615	87,469	(39,511)	1,656,573
Street Lights	205,448	33,784	-	239,232
Infrastructure	1,342,821	333,080	-	1,675,901
Total Accumulated Depreciation	3,432,938	500,292	(39,511)	3,893,719
Total Governmental Capital Assets	\$ 7,465,243	\$ (311,594)	\$ 4,166	\$ 7,157,815

Annual depreciation for Governmental Funds are as follows:

Administration - General	\$ 38,173
Public Safety:	
Police Department	9,737
Fire Department	26,084
Public works	
General	92,403
State Street Aid	333,895
Total	<u>\$ 500,292</u>

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS (Continued)

Capital Assets for Business-type activities for year ended June 30, 2023 are as following:

Classification	Balance June 30, 2022	Additions	(Retirements) & Contributions	Balance June 30, 2023
Business Type Activities				
Non-Depreciable Assets:				
Land	20,640	-	-	20,640
Construction in Progress	2,305,666	454,782	-	2,760,448
Total Non-Depreciable Assets	2,326,306	454,782	-	2,781,088
Depreciable Capital Assets				
Buildings	10,000	-	-	10,000
Water Plant & Tower	5,790,476	35,672	-	5,826,148
Sewer Lift Station	38,000	-	-	38,000
Sewer System	4,424,736	-	-	4,424,736
Equipment & Vehicles	143,284	110,956	-	254,240
Computer & Accessories	17,975	-	-	17,975
Total Depreciable Capital Assets	10,424,471	146,628	-	10,571,099
Less Accumulated Depreciation				
Buildings	7,051	256	-	7,307
Water Plant & Tower	1,767,948	110,955	-	1,878,903
Sewer Lift Station	322,167	89,329	-	411,496
Sewer System	254,692	1,900	-	256,592
Equipment & Vehicles	88,610	11,402	-	100,012
Computer & Accessories	17,976	-	-	17,976
Total Accumulated Depreciation	2,458,444	213,842	-	2,672,286
Total Depreciable Assets (net)	7,966,027	(67,214)	-	7,898,813
Total Business Type Capital Assets	\$ 10,292,333	\$ 387,568	\$ -	\$ 10,679,901

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 6 —LONG-TERM OBLIGATIONS

On June 30, 2023, the City of Piperton has no long-term outstanding notes payable. Changes for the year end and the annual compensated Absence are as follows:

Compensate Absence:

Compensated absence includes payments for time off employees are eligible for compensation upon separation from the City of Piperton.

Compensated Absence	Balance June 30, 2022	Additions/ Adjustments	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities	55,836	-	(6,922)	48,914	-
Total Governmental Funds	\$ 55,836	\$ -	\$ (6,922)	\$ 48,914	\$ -

Compensated Absences	Balance June 30, 2022	Additions/ Adjustments	Reductions	Balance June 30, 2023	Due Within One Year
Business Type Activities	9,317	2,997	-	12,314	-
Total Business Type Activ	\$ 9,317	\$ 2,997	\$ -	\$ 12,314	\$ -

NOTE 7 – LEASES

City of Piperton has the following operating leases.

1. Operating Lease - Rental Lease of Administration Office – Police Office for the sum of \$1,400 per month, which expires December 31, 2023.
2. Operating Lease - Rental Lease of Administration Office – General Government for \$2,800 per month for 12 months, which expires December 31, 2023.
3. Operating Lease - Copier Lease Agreement – Administrative Office effective 07/15/2021 for \$187.45 per month for 48 months, which expires August 2025.
4. Operating Lease – Copier Lease Agreement – Public Works effective 5/4/2020 for \$62.75 per month for 48 months, which expires April 2024.
5. Operating Lease – Copier Lease Agreement - Police Department effective on 1/21/2022 for \$115.00 per month for 24 months, which expires 1/21/2024.

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 8 – CAPITAL LEASE

Governmental Funds	Long-Term Lease Payable				
Long-Term Lease Payable	Balance 6/30/2022	Additions Adjustments	Repayment Retirement	Balance 6/30/2023	Due within One Year
FY Ending June 30, 2023	10,609	-	(3,434)	7,175	3,474
Total Lease Payable	10,609	-	(3,434)	7,175	3,474

Schedule of Long-Term Lease Payable

	Lease Payable	Interest Payable	Total Payable
FY 2024	3,027	447	3,474
FY 2025	2,969	504	3,473
FY 2026	220	8	228
	6,216	959	7,175

CITY OF PIPERTON, TENNESSEE
SUMMARY OF LEASE OBLIGATIONS
JUNE 30, 2023

GOVERNMENTAL ACTIVITIES

LEASE PAYABLE

GENERAL FUNI	ISSUE DATE	INTEREST RATE	MATURITY DATE	ISSUE AMOUNT	BALANCE JUNE 30, 2022	PAID/OR MATURED	BALANCE JUNE 30, 2023
COPIER	April 30, 2020	4.00%	April 30, 2024	\$ 3,012	\$ 2,259	\$ 753	\$ 1,506
COPIER	July 1, 2021	4.00%	July 30, 2025	11,071	8,350	2,721	5,629
				\$ 14,083	\$ 10,609	\$ 3,474	\$ 7,135

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG TERM SERVICE CONTRACTS

City of Piperton’s Enterprise Type Fund, Water Fund, has long term service contract with third party for service of Water Tank. The annual payment is due in August of respective year. Charges for late payment, interest, and penalty are assessed based on City of Piperton other debts which is an implied rate of 4.0% according to all other contractual agreements of the City of Piperton. Below is Amortization Schedule of Long-term Debt for Changes in Service Contract.

CITY OF PIPERTON, TENNESSEE
SCHEDULE OF CHANGE IN SERVICE CONTRACT PAYABLE
ENTERPRISE FUND - WATER
FOR YEAR ENDED JUNE 30, 2023

FISCAL Y	Additions	Service Payable	Interest Payable	Total Paid	June 30, 2023
2023	\$ 260,000	\$ 32,500	\$ -	\$ 32,500	\$ 227,500
2024		23,400	9,100	32,500	195,000
2025		24,700	7,800	32,500	162,500
2026		26,000	6,500	32,500	130,000
2027		27,300	5,200	32,500	97,500
2028		28,600	3,900	32,500	65,000
2029		29,900	2,600	32,500	32,500
2030		31,200	1,300	32,500	-
Total		\$ 223,600	\$ 36,400	\$ 260,000	

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 10 - INTERFUND RECEIVABLE and PAYABLE

During the year ended June 30, 2023, the amount outstanding receivable from General Fund to Sewer fund and are the result of regular sharing expenses. The amount due from Water to General Fund is for monthly billing of Sanitation Service Fees, and from Water to Sewer is for monthly billing of Sewer Service Fees.

The inter-fund transfers for the year ended June 30, 2023, are as follows:

	Due to and Due From				
	General	Sanitation	Sewer	Water	Total
Due to (From)	\$ -	\$ -	\$ 76,183	\$ (76,183)	\$ -
	-	25,086	-	(25,086)	-
Due to (From)	70	-	(70)	-	-
Due to (From)	80	-	-	(80)	-
Due to (From)	-	-	-	-	-
Due to (From)	\$ 150	\$ 25,086	\$ 76,113	\$ (101,349)	\$ -

The Interfund payables and receivables (Due to and Due From) amounts are expected to be repaid following year.

NOTE 11 - INTERFUND TRANSFERS

During the year ended June 30, 2023, the City experienced major demand for roads and city street repairs, therefore City transferred from General Fund to State Street Aid fund for pavement and repairing of city streets. All transfers are approved by the board of commissioner during board meeting. The City's inter-fund transfers for the fiscal year ended June 30, 2023, are as follows:

	Schedule of Interfund Transfers		
	Transfer In and Transfer Out		
	General	State Street Aid	Total
Transfer from	(32,141)	-	(32,141)
Transfer to	-	32,141	32,141
Total	(32,141)	32,141	-

CITY OF PIPERTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The governmental fund net position – government-wide for fiscal year ending June 30, 2023, for governmental funds is adjusted to reflect contributed capital assets by developers and changes in prior year capital assets.

Net Position - June 30, 2022	\$	12,922,282
Change in Accounting Method & Software		53,531
Net Position - June 30, 2022 - Revised	\$	12,975,813

The business-type net position was understated for fiscal year ending June 30, 2022, are adjusted to reflect contributed capital assets by developers.

	WATER FUND	SEWER FUND	TOTAL
Net Position - June 30, 2022	\$ 5,951,376	\$ 6,723,687	\$ 12,675,063
Change Accounting Method & Software	-	8,849	8,849
Total Adjustments	5,951,376	6,732,536	12,683,912
Net Position - June 30, 2022 - Revised	\$ 11,902,752	\$ 13,456,223	\$ 25,358,975

COMBINING FUND
FINANCIAL STATEMENTS

CITY OF PIPERTON, TENNESSEE
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	STATE			
	STREET AID	DRUG	SANITATION	TOTAL
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 110,821	\$ 28,037	\$ 225,273	\$ 364,131
Investment	-	-	-	-
Receivables:	-	-	-	-
Accounts	65,600		20,781	86,381
Intergovernmental	6,927	-	-	6,927
Due from Other Funds	-	-	25,086	25,086
Total Assets	<u>\$ 183,348</u>	<u>\$ 28,037</u>	<u>\$ 271,140</u>	<u>\$ 482,525</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	<u>183,348</u>	<u>28,037</u>	<u>271,140</u>	<u>482,525</u>
Total Fund Balances	<u>183,348</u>	<u>28,037</u>	<u>271,140</u>	<u>482,525</u>
Total Liabilities & Fund Balances	<u>\$ 183,348</u>	<u>\$ 28,037</u>	<u>\$ 271,140</u>	<u>\$ 482,525</u>

CITY OF PIPERTON, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
BALANCE - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	STATE			TOTAL
	STREET AID	DRUG	SANITATION	
REVENUES				
Professional Service - Fees	-	-	231,912	231,912
Recycling Collection	-	-	31,656	31,656
Yard Waste Bag	-	-	712	712
Garbage Bulk Pick Up	-	-	830	830
Penalty & Forefeits	-	-	2,008	2,008
Gasoline - Petroluem	40,440	-	-	40,440
Gasoline - 1989	6,340	-	-	6,340
Gasoline - 3 Cents	11,706	-	-	11,706
Gas Improvement-City	20,379	-	-	20,379
Interest Earnings	352	-	2,830	3,182
Miscellaneous	25	-	-	25
Total Revenues	79,242	-	269,948	349,190
EXPENDITURES				
Contracted Services	-	-	218,851	218,851
Strom Clean Up	-	-	1,005	1,005
Yard Waste Stickers	-	-	500	500
Recycling Waste Cost	-	-	28,966	28,966
Waste Collection Bulk Charge	-	-	443	443
Street Lights	6,625	-	-	6,625
Street Signs	2,100	-	-	2,100
Traffic Sigal - Contrat Service	7,215	-	-	7,215
Materials & Maintenance	13,003	-	-	13,003
Repairs & Maintenance-Equipment	3,681	-	-	3,681
Ground/Row Maintenance (Herb)	8,982	-	-	8,982
Equipment-Rental	1,141	-	-	1,141
Patch Work-Street Repairs	17,991	-	-	17,991
Widening Road - Keough	18,000	-	-	18,000
Miscellaneous	-	-	242	242
Total Expenditures	78,738	-	250,007	328,745
Excess Revenue over Expenditures	504	-	19,941	20,445
Other Sources of Revenues				
Transfer in from General Fund	32,141	-	-	32,141
Total Othr Sources of Revenues	32,141	-	-	32,141
Net Excess Revenues over Expenditures	32,645	-	19,941	52,586
Fund Balance - June 30, 2022	150,703	28,037	251,199	429,939
Fund Balance - June 30, 2023	\$ 183,348	\$ 28,037	\$ 271,140	\$ 482,525

SCHEDULES

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SANITATION FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Service Fee	225,170	230,000	231,912	1,912
Recycling Collection	32,100	32,100	31,656	(444)
Yard Waste Bag	800	800	712	(88)
Garbage Bulk Pick Up	500	810	830	20
Penalty & Forfeits	1,800	2,000	2,008	8
Interest Earned	760	2,800	2,830	30
Total Revenues	<u>261,130</u>	<u>268,510</u>	<u>269,948</u>	<u>1,438</u>
EXPENDITURES				
Contracted Services	210,760	218,850	218,851	1
Storm Clean Up	15,000	15,000	1,005	(13,995)
Yard Waste Sticker	1,500	1,500	500	
Recycling Waste Cost	29,930	28,970	28,966	(4)
Waste Collection Bulk Charge	500	500	443	(57)
Equipment	160,000	-	-	-
Miscellaneous	125	125	242	117
Total Expenditures	<u>417,815</u>	<u>264,945</u>	<u>250,007</u>	<u>(13,938)</u>
Excess Revenue (Expenditures)	<u>\$ (156,685)</u>	<u>\$ 3,565</u>	19,941	<u>\$ 15,376</u>
Fund Balance - June 30, 2022			<u>251,199</u>	
Fund Balance - June 30, 2023			<u>\$ 271,140</u>	

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET & ACTUAL
STATE STREET AID FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Gasoline Petroleum	41,834	41,834	40,440	(1,394)
Gasoline - 1989	6,517	6,517	6,340	(177)
Gasoline - 3 Cents	12,074	12,074	11,706	(368)
Gas Improvement-City	21,043	21,043	20,379	(664)
Interest Earned	100	100	352	252
Miscellaneous	250	250	25	(225)
Total Revenues	81,818	81,818	79,242	(2,576)
EXPENDITURES				
Street Lights - Utility	7,500	7,500	6,625	(875)
Traffic Signal - Contract Service	3,000	7,300	7,215	(85)
Materials & Maintenance	13,000	13,000	13,003	3
Repairs & Maintenance-Equip	11,000	11,000	3,681	(7,319)
Street Sign	2,400	2,400	2,100	(300)
New Street Lights	5,000	-	-	-
Ground/Row Maintenance (Herb	10,000	10,000	8,982	(1,018)
Street Stripping	10,000	-	-	-
Equipment Purchase & Rental	1,500	1,500	1,141	(359)
Milton Drive-Street Lighting	10,000	10,000	-	(10,000)
Patch Work-Street Repairs	250,000	14,141	17,991	3,850
Widening Road-Keough	160,000	18,000	18,000	-
Total Expenditures	483,400	94,841	78,738	(16,103)
Excess Revenues (Expenditures)	(401,582)	(13,023)	504	13,527
Transfer in - From General Fund	410,000	32,141	32,141	-
Excess Revenues (Expenditures)	8,418	8,418	32,645	24,227
Fund Balance - June 30, 2022			150,703	
Fund Balance - June 30, 2023			\$ 183,348	

CITY OF PIPERTON, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES and CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amount		Actual	Variance With	
	Original	Final		Final Budget	
REVENUES					
Seizures	\$ 250	\$ 250	\$ -	\$ -	(250)
General Sessions/Circuit Cou	100	100	-	-	(100)
Miscellaneous	125	125	-	-	(125)
Total Revenues	475	475	-	-	(475)
EXPENDITURES					
Total Expenditures	-	-	-	-	-
Excess Revenues (Expenditures)	475	475	-	-	(475)
Balance Fund - June 30, 2022			28,037		
Balance Fund - June 30, 2023			\$ 28,037		

CITY OF PIPERTON, TENNESSE
SCHEDULE OF PROPERTY TAXES RECEIVABLE

June 30, 2023

Levy Year	Tax Rate	Assessed Value	Tax Levy Original	Balance 6/30/22	Collections Adjustments	Adjustments	Balance 6/30/23
2023	0.3176	199,480,757	854,571	-	-	1,300	855,871
2022	0.3176	\$ 194,437,800	\$ 617,556	\$ 617,556	\$ 611,688	\$ -	\$ 5,868
2021	0.3176	173,612,077	551,403	3,262	3,173		89
2020	0.3749	140,921,694	528,297	290	-	(290)	-
2019	0.3749	122,002,253	474,759	110	-	(110)	-
2018	0.3749	105,465,542	424,359	-	-	-	-
2017	0.3749	105,465,542	395,384	-	-	-	-
2016	0.4080	94,471,556	385,444	1	-	(1)	-
2015	0.4080	92,276,404	368,321	1	-	(1)	-
2014	0.4080	87,045,242	355,143	1	-	(1)	-
2013	0.3800	83,957,738	342,556	1	-	(1)	-
				<u>621,222</u>	<u>614,861</u>	<u>896</u>	<u>861,828</u>

Total property taxes levied contains real estate property taxes and Ad Valorem taxes.

CITY OF PIPERTON, TENNESSEE
SCHEDULE OF FEDERAL AND STATE AWARD
FOR YEAR ENDED JUNE 30, 2023

GRANT DESCRIPTION	CFDA NUMBER	ACCRUED 6/30/2022	FEDERAL	STATE	EXPENDITURE	ACCRUED 6/30/2023
U.S. Department of Homeland Security						
Federal Emergency Mangement	EMW-2021-FG04748	\$ -	\$ 46,406	\$ -	\$ 46,406	-
Federal Emergency Mangement	EMW-2020-FG05492		\$ 1,208	\$ -	\$ 1,208	-
U.S. Department of Homeland Security						
Vest Bullet Proof	BUBX20021584	-	308	-	308	-
U.S. Department of Treasury						
TN Dept of Finance & Admin						
Supplement Entitlement-ARPA	Not Available	-	294,636	-	294,636	-
FEMA - Ice Storm 2022	Not Available	-	8,297	-	8,297	-
Tennessee-Public Assistant-Ice Storm 2022		-	-	1,296	1,296	-
Tennessee Dept of Commerce & Insurance		-	-	10,262	10,262	-
STATE OF TNENNESSEE						
Fire Fighters Salary Supplement	Not Available	-	-	6,200	6,200	-
Police Salary Supplement	Not Available	-	-	5,600	5,600	-
Totals		\$ -	\$ 350,855	\$ 23,358	\$ 374,213	-

Note: Significant Accounting Policies

Federal and State awards are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City of Piperton considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred.

**CITY OF PIPERTON, TENNESSEE
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS
GOVERNMENTAL - GENERAL FUND
FOR YEAR ENDED JUNE 30, 2023**

FISCAL YEAR	LEASE PAYABLE	INTEREST PAYABLE	TOTAL PAYABLE
2024	\$ 2,969	\$ 504	\$ 3,473
2025	3,027	447	3,474
2026	220	8	228
TOTAL	\$ 6,216	\$ 959	\$ 7,175

**CITY OF PIPERTON, TENNESSEE
SCHEDULE OF CHANGE IN SERVICE CONTRACT PAYABLE
ENTERPRISE FUND - WATER
FOR YEAR ENDED JUNE 30, 2023**

FISCAL YEAR	Additions	Service Payable	Interest Payable	Total Paid	June 30, 2023
2023	\$ 260,000	\$ 32,500	\$ -	\$ 32,500	\$ 227,500
2024		23,400	9,100	32,500	195,000
2025		24,700	7,800	32,500	162,500
2026		26,000	6,500	32,500	130,000
2027		27,300	5,200	32,500	97,500
2028		28,600	3,900	32,500	65,000
2029		29,900	2,600	32,500	32,500
2030		31,200	1,300	32,500	-
Total		\$ 223,600	\$ 36,400	\$ 260,000	

CITY OF PIPERTON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER & SEWER
June 30, 2023

	WATER	SEWER	TOTAL
ASSETS			
Current Assets:			
Cash and Equivalent	301,743	153,524	455,267
Investment	1,715,654	344,011	2,059,665
Accounts Receivable	72,890	41,869	114,759
Inventory-Supplies	35,700	-	35,700
Due from Other Funds	(101,419)	76,183	(25,236)
Prepaid Assets-Supplies	67,207	16,799	84,006
Total Current Assets	2,091,775	632,386	2,724,161
Capital Assets:			
Land	-	20,640	20,640
Construction in Progress - Sewer	143,564	2,616,883	2,760,447
Building & Improvements & Infustructure	10,000	-	10,000
Distribution System - Water	5,826,148	-	5,826,148
Sewer Lift Station	-	38,000	38,000
Sewer System	-	4,424,736	4,424,736
Computer & Accessories	17,975	-	17,975
Equipment & Vehicles	198,762	55,478	254,240
Less: Accumulated Depreciation	(2,003,889)	(668,396)	(2,672,285)
Total Capital Asset (net)	4,192,560	6,487,341	10,679,901
Deferred Outflow-Service Contract	227,500	-	227,500
Total Capital Asset & Deferred Outflow	4,420,060	6,487,341	10,907,401
TOTAL ASSETS	6,511,835	7,119,727	13,631,562
LIABILITIES & NET POSITON			
Current Liabilities:			
Accounts Payable	34,420	248,335	282,755
Payroll Liabilities	6,622	5,053	11,675
Accrued Liabilities	1,743	-	1,743
Meter Deposits Payable - Customers	1,540	-	1,540
Provision-Subdivision Fees-Reimburseable	37,410	-	37,410
Service Contract Payable	23,400	-	23,400
Interest Payable	9,100	-	9,100
Total Current Liabilities	114,235	253,388	367,623
Long-term Liabilities:			
Accrued Leave Payable	6,994	5,320	12,314
Service Contract Payable	167,700	-	167,700
Interest Payable	27,300	-	27,300
Total Long-term Liabilities	201,994	5,320	207,314
Total Liabilities	316,229	258,708	574,937
Net Position:			
Net Investment in Capital Assets	4,420,000	6,487,341	10,907,341
Unrestricted	1,775,545	373,678	2,149,223
Total Net Position	6,195,606	6,861,019	13,056,625
TOTAL LIABILITIES & NET POSITION	6,511,835	7,119,727	13,631,562

CITY OF PIPERTON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

REVENUES:	WATER	SEWER	TOTAL
Sales & Services:			
Sales - Water	667,434	-	667,434
Installation & Tap Fees - Water	208,040	-	208,040
Decentralized Revenue-Sewer	-	206,886	206,886
Fire Hydrant	35,069	-	35,069
Sales - Sewer Fees	-	237,197	237,197
Tap Fees - Sewer	-	94,263	94,263
Establishment Fees	15,200	-	15,200
Miscellaneous	16,943	2,931	19,874
TOTAL REVENUES	942,686	541,277	1,483,963
EXPENSES			
Personnel Expenses:			
Salaries	152,534	117,131	269,665
Payroll Taxes	11,764	8,844	20,608
Holiday Bonus	975	812	1,787
Insurance - Employee	20,146	16,183	36,329
Accrued Annual Leave	-	-	-
Employee Retention Bonus	4,950	3,450	8,400
Deffered Comp	4,767	3,300	8,067
Total Personnel	195,136	149,720	344,856

CITY OF PIPERTON, TENNESSEE
REVENUES, EXPENSES AND CHANGES IN NET POSITION OF WATER-SEWER FUND
YEAR ENDED JUNE 30, 2022

	WATER	SEWER	TOTAL
EXPENSES			
Operating Expenses			
Cost of Water Sold	241,937	-	241,937
Portable Water	-	413	413
Utilities	1,167	18,618	19,785
Telephone-Stipend	575	600	1,175
Telephone-Data Service	652	652	1,304
TN One Call Locate	2,232	-	2,232
Postage & Freight	5,914	-	5,914
Travel & Trainings	1,512	196	1,708
Publication of Public Notice	423	308	731
Meter SWL GP Support	-	4,825	4,825
Lab Testing	-	340	340
Computer Software-Data Processing	24,404	-	24,404
Water Meters	17,675	-	17,675
Certification Fees	1,489	-	1,489
Repairs & Maintenance & Supplies	64,647	17,366	82,013
Residential Tank Pumping	-	12,925	12,925
Insurance - Work Comp	13,337	2,316	15,653
Annual Decentralized - Mowing	-	-	-
Vehicle Maintenance	1,980	542	2,522
Oil & Fuel	2,537	2,000	4,537
Depreciation	122,305	91,536	213,841
Reimbursement - Chickasaw Trail	-	41,436	41,436
Reimbursement - Rossville	-	55,571	55,571
Sewer Pumps	-	20,601	20,601
Decentralized Sewer Plant-State Renewal	-	750	750
Water Tank Maintenance	32,530	-	32,530
Public Work Week	476	500	976
State Impact Fee	-	1,740	1,740
GPS Monitoring	874	1,004	1,878
Miscellaneous	-	-	-
Total Operating Expenses	536,666	274,239	810,905
Operating Income	210,884	117,318	328,202
Non-Operating Income			
Interest Earned	33,346	11,165	44,511
Total Non-Operating Income	33,346	11,165	44,511
Change in Net Position	244,230	128,483	372,713
Net Position - June 30, 2022, as previously reported	5,951,376	6,723,687	12,675,063
Prior Period Adjustment (Note 11)	-	8,848	8,848
Net Position - June 30, 2022, as restated	5,951,376	6,732,535	12,683,911
Net Position - June 30, 2023	\$ 6,195,606	\$ 6,861,018	\$ 13,056,624

CITY OF PIPERTON, TENNESSEE
CASH FLOWS OF WATER & SEWER FUND
YEAR ENDED JUNE 30, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers for goods and services	\$ 788,126	\$ 467,879	\$ 1,256,005
Cash Received from Customers as Deposits	22	-	22
Cash Refund to Customers	(2,012)	-	(2,012)
Cash paid to vendors & supplies for goods & services	(362,581)	(154,258)	(516,839)
Cash paid to employees for salaries	(192,413)	(147,603)	(340,016)
Net Cash Provided by Operating Activities	<u>231,142</u>	<u>166,018</u>	<u>397,160</u>
CASH FLOWS FROM ICAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(55,478)	(301,686)	(357,164)
Net Cash Provided by Financing Activities	<u>(55,478)</u>	<u>(301,686)</u>	<u>(357,164)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer to Investment	(295,407)	252,920	(42,487)
Interest on Investment	33,346	11,165	44,511
Net Cash Provided by Investing Activities	<u>(262,061)</u>	<u>264,085</u>	<u>2,024</u>
NET INCREASE (DECREASE) IN CASH	(86,397)	128,417	42,020
CASH BEGINNING-JULY 01, 2022	388,139	25,107	413,246
CASH ENDING - JUNE 30, 2023	<u>\$ 301,742</u>	<u>\$ 153,524</u>	<u>\$ 455,266</u>
RECONCILIATION OF OPERATING INCOM			
- CASH PROVIDED BY OPERATING ACTIVITIES			
OPERATING INCOME	210,884	117,318	328,202
Adjustment to reconcile income to net cash provided by operating activities			
Depreciation	122,305	91,536	213,841
Decrease (Increase) in current Assets	(38,336)	(47,804)	(86,140)
Increase (Decrease) in current liabilities	(63,711)	4,968	(58,743)
Total Adjustment and reconciliations	<u>20,258</u>	<u>48,700</u>	<u>68,958</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 231,142</u>	<u>\$ 166,018</u>	<u>\$ 397,160</u>

**NONACCOUNTING
INFORMATION SECTION**

CITY OF PIPERTON, TENNESSEE
SCHEDULE OF INSURANCE COVERAGE
AS JUNE 30, 2023
(UNAUDITED)

INSURED CITY OF PIPERTON **POLICY #** **PLI -0277-201**
EFFECTIVE JULY 1, 2022 THRU JUNE 30, 2023

LIMIT OF COVERAGE

COVERAGE A GENERAL LIABILITY & COVERAGE B - INJURY LIABILITY

1	BODILY INJURY OR PERSONAL INJURY	\$	300,000	PER PERSON
2	BODILY INJURY OR PERSONAL INJURY	\$	700,000	PER OCCURRENCE
3	PROPERTY DAMAGE AS LIMITED BY TORT LIABILITY	\$	100,000	PER OCCURRENCE
4	EACH OTHER LOSS	\$	700,000	PER OCCURRENCE
5	CATASTROPHIC MEDICAL EXCESS OF BODILY INJURY	\$	1,000,000	PER OCCURRENCE
6	MEDICAL PAYMENT	\$	1,000	PER PERSON
7	MEDICAL PAYMENT	\$	10,000	PER ACCIDENT
8	FIRE DAMAGE	\$	100,000	PER OCCURRENCE
9	IMPOUNDED OR COMMANDEBRED PROPERTY DAMAGE	\$	100,000	PER OCCURRENCE
10	NON-MONETARY DEFENSE COSTS	\$	100,000	PER OCCURRENCE

COVERAGE C ERRORS OR OMISSIONS LIABILITY

1	POLICY AGGREGATE FOR EMPLOYMENT PRACTICE	\$	700,000	PER OCCURRENCE
2	EMPLOYEES BENEFITS/FIDUCIAR LIABILITY	\$	700,000	PER OCCURRENCE
3	POLICY AGGREGATE FOR PRIVACY/NETWORK LIABILITY	\$	700,000	PER OCCURRENCE
4	NON-MONETARY DEFENSE COSTS	\$	100,000	PER OCCURRENCE

NO COVERAGE FOR PRIVACY & NETWORK LIABILITY

COVERAGE D AUTOMOBILE LIABILITY AND COVERAGE E - AND

COVERAGE E - AUTOMOBILE PHYSICAL DAMAGE

1	BODILY INJURY AS LIMITED BY TORT LIABILITY ACT	\$	300,000	PER PERSON
2	BODILY INJURY AS LIMITED BY TORT LIABILITY ACT	\$	700,000	PER PERSON
3	PROPERTY DAMAGE AS LIMITED BY TORT LIABILITY	\$	100,000	PER OCCURRENCE
4	OTHER LOSS - EACH	\$	700,000	PER OCCURRENCE
5	CATASTROPHIC MEDICAL EXCESS OF BODILY INJURY	\$	1,000,000	PER OCCURRENCE
6	PROPERTY DAMAGE - UNINSURED	\$	1,000	PER PERSON
7	UNINSURED MOTORISTS - MEDICAL PAYMENTS	\$	60,000	PER ACCIDENT
8	UNINSURED MOTORISTS - PROPERTY DAMAGE	\$	100,000	PER OCCURRENCE
9	UNINSURED MOTORISTS - BODILY DAMAGE	\$	100,000	PER OCCURRENCE

INSURED CITY OF PIPERTON **POLICY #** **PLI -3208-22**
EFFECTIVE JULY 1, 2022 THRU JUNE 30, 2023

LIMITS OF COVERAGE

COVERAGE A	EMPLOYEE DISHONESTY	\$	150,000	PER LOSS
COVERAGE B	FORGERY OR ALTERATION	\$	150,000	
COVERAGE C	THEFT, DISAPPEARANCE OR DESTRUCTION	\$	150,000	
COVERAGE D	COMPUTER FRAUD	\$	150,000	

CITY OF PIPERTON, TENNESSEE
SUMMARY OF UTILITY RATES and NUMBER OF CUSTOMERS
FOR YEAR ENDED JUNE 30, 2023
UPDATED RATES

WATER RATES		Number of Users
Base Rate	19.90	
Plus - Usage Charge	3.60 per 1,000 gallons	
Total Customers		<u>1173</u>
SEWER TATES		
Sewer Connection Fees		
Residential within Dencentralized	3,000.00 per unit	
Residential Outside Dencentralized	3,000.00 per unit of Capicity	
Commercial	3,000.00 per unit of Capicity	
Decentralized Sewer Rates		
Residential	50.55 per residential user	
Non-Residential Outside	50.55 per user	
Plus - Surcharge for Outside City Limits	20.00 per month	
Commercial	97.90	
Plus - Surcharge for Outside City Limits	6.55 per 1,000 gallons	360
Not-Centralized - Outside Subdivision		
West Basin		
Base Rate	92.40 for 1st 6,000 gallons	
Plus - Surcharge for Outside City Limits	28.00 per 1,000 gallons	
East Basin		
Base Rate	92.40 for 1st 6,000 gallons	
Plus - Surcharge for Outside City Limits	28.00 per 1,000 gallons	358
		<u>718</u>
WASTE COLLECTION RATE (GARBAGE)		
Residential Fes		
Base Rate	18.27 per month - 1st cart	
Plus - additional	4.20 per additional cart	
Bulk Rate	22.12 per month - 1st cart	
Plus - additional	11.06 per additional cart	
Bagged Yard Waste Tag	- per bag	
Commercial		
Base Rate	15.02 per month - 1st cart	
Plus - additional	4.20 per additonal cart	
Plus - additional	4.20 yard waste	
Bi-Weekly Collection Fee	33.34 per month	1101
Recycling Fee		
Residential & Commercial	4.62 per month	266
Plus - additional	4.20 per additional cart	15
		<u>1382</u>
		<u>3273</u>

**INTERNAL CONTROL AND
COMPLIANCE SECTION**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Board of Commissioners
City of Piperton, Tennessee
Piperton, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Piperton, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Piperton's basic financial statements, and have issued my report thereon dated.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered City of Piperton's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Piperton's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Piperton's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Piperton's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Linda's Accounting Firm

B. Coffman (Linda), CPA
Brownsville, Tennessee
December 11, 2023

**CITY OF PIPERTON, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2023**

Prior Year Findings:

2022 -000 No Findings for Fiscal Year Ending June 30, 2022.